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900 workers

EFFECTIVE DATE JULY 24, 1997

AGREEMENT

Between

LOCAL UNION No. 1023

United Steelworkers of America

AFL-CIO/CLC

and the

YOKOHAMA TIRE CORPORATION

SALEM, VIRGINIA

7/24/97 - 6/23/2003

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COLLECTIVE BARGAINING AGREEMENT

PREAMBLE

This Agreement is made and entered into this July 29, 1997 by and between Yokohama Tire Corporation, a subsidiary of Yokohama Corporation of North America, hereinafter referred to as the "Company" and the United Steelworkers of America and its Local Union No. 1023, hereinafter referred to as the "Union."

WITNESSETH: Whereas it is the desire of the parties to this Agreement to promote mutual cooperation and understanding and to formulate rules to govern the relationship between them, now therefore, the parties agree as follows:

INTENT OF THE PARTIES

The Union recognizes that a high level of wages can be maintained only by a high level of productivity; therefore, the Union and its members agree to cooperate in attaining as high a level of productivity as is consistent with the health and welfare of the employees. The Union and its members will assist in effectuating economies and in the utilization of improved methods of machinery.

The Company and the Union both realize that in carrying out the above procedure in order to reduce costs and maintain a competitive position in the industry, jobs may be eliminated. Where jobs are eliminated because of the aforementioned reasons, the Company agrees to make every effort to obtain other work for employees at the time of job elimination providing the employees are qualified and equipment is available.

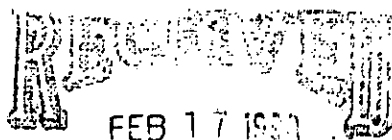
ARTICLE I

Recognition, Scope, And Check Off Of Union Dues

Section 1 - Recognition

(a) The Company recognizes the Union as the sole and exclusive bargaining agency for all production, maintenance, and quality control employees excluding office clerical employees, guards, professional employees, and supervisors as defined by the National Labor Relations Act.

(b) The Company agrees to meet with and bargain with the accredited representatives of the Union on all matters pertaining to rates of pay, wages, hours of employment, and all other working conditions, but being expressly understood that any Agreement between the parties shall be made in writing, shall not be recognized as binding upon either the Union or the Company



unless in writing, it being understood and agreed that this procedure is necessary to accurately reflect the entire understanding between the parties.

The automation of jobs in the bargaining unit will not be used as the basis for changing such jobs from bargaining unit status to non-bargaining unit status.

(c) The Company will not interfere with the right of its employees to become members of the Union. There shall be no discrimination, restraint, or coercion by the Company or Union or any of their agents against any employee because of membership or non-membership in the Union. The Union agrees not to solicit Union membership on Company time. Any collection of dues or assessments on Company property shall be done by employees of the Company on their own time, and so as not to interfere with any employee while working.

Section 2 - Scope

It is agreed that this written Agreement reflects the entire agreement between the parties and that all understandings and agreements reached as a result of negotiations are included herein. The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unrestricted right and opportunity to present demands and proposals with respect to any and all matters subject to collective bargaining. Therefore, the Company and the Union freely agree that during the period covered by this Agreement neither party shall be obligated to bargain with respect to any matter or subject not referred to in this Agreement, or as to any matter referred to in this Agreement except in the manner specified herein. Amendments or clarifications of this Agreement mutually agreed upon, shall be reduced to writing, attached to and shall become a part of this Agreement.

Section 3 - Check Off

(a) The Company will deduct from employee's wages, and pay over to the Union, the monthly Union dues of each Union member who individually and voluntarily signs a written authorization for such deduction in the following form:

"I hereby authorize the Yokohama Tire Corporation to deduct from my pay current monthly Union dues which are established by Local Union No. 1023 in accordance with the 1993 URW Constitution and to be checked off in accordance with the current Labor Agreement, any extensions thereof, or any subsequent Labor Agreements, as the case may be. Said dues to be turned over to the Treasurer of Local 1023 USWA. This Assignment and Authorization shall be irrevocable for the period of one year from the date hereof or until the termination of the current Labor Agreement between the Union and the Company, whichever is the shorter period. At the end of the original period of irrevocability this Assignment

and Authorization shall be automatically renewed and be irrevocable for a like period of one year or until the termination of the then current Labor Agreement between the Union and the Company, whichever is the shorter, unless I give written notice revoking this Assignment and Authorization at least ten days prior to the end of such a period of irrevocability.

I have signed this authorization voluntarily, having been informed that my employment by the Company does not, in any way, depend upon my signing it."

Date _____, 19____

Employee's
Signature _____

Witness _____

It shall be the Union's responsibility to obtain and deliver the written authorization for such deduction.

Deductions will be made only from any wages remaining due the employee after all other proper deductions are made on the first pay day of each month. If, for any reason, deductions are not made in the pay period specified, the regular monthly dues in arrears will be deducted in the next succeeding week.

On or before the last day of each month, the Company shall send to the Treasurer of the Union a statement of the deductions made that month together with a check in the amount of such deductions, and this shall be deemed full compliance by the Company with its obligations hereunder.

(b) The Company agrees that if the Union requests, arrangements will be made to determine if a majority of the bargaining unit employees wish to make contributions to COPE through payroll deductions. In the event it is determined that a majority so desires, arrangements for payroll deductions will be made.

(c) The Union will save the Company harmless with respect to any claim, suit, judgment, or other liability resulting from any deductions made from the employee's pay pursuant to the provisions of this Agreement.

ARTICLE II

Non-Discrimination

The parties agree that all provisions of this Agreement shall be applied in a non-discriminatory manner without regard to race, religion, color, sex, age, national origin, handicap, disability, veteran status, or any condition protected by applicable state or federal law.

Where the male gender or some other comparable identity appears, it is agreed that the term applies to male and female

employees alike wherever applicable.

ARTICLE III

Management Rights

Section 1

The management of the business and the operation of the plant and the authority to execute all its various duties, functions, and responsibilities incident thereto shall remain vested in the Company. It is recognized that such functions include, but are not limited to the direction and supervision of the working force, the means and manners by which the plant and the various departments thereof shall be operated or shutdown, or production and working forces reduced or increased, subject only to the express provisions contained in this Agreement. The Company has the right to subcontract maintenance work; however, the Company agrees that regular maintenance work will be performed by plant maintenance personnel, except for specific jobs where it has been determined by the Company that equipment, qualified personnel, and completion time do not permit.

ARTICLE IV

No Strike --- No Lockout --- Non-Liability Clause

Section 1 - No Strike - No Lockout

(a) The Union agrees that it will not encourage, sanction, or approve any strike, stoppage, slowdown, or other interruption of work growing out of any dispute which is subject to the grievance procedure under the terms of this Agreement. On the contrary, the Union will actively discourage and endeavor to prevent or terminate any strike, stoppage, slowdown, or other interruption of work growing out of any dispute which is subject to such grievance procedure. Also, upon written notice to the International Union from the Union or the Company, the International Union will immediately notify the Union by telegram, a copy of which will be sent to the Company, that the strike, stoppage, slowdown, or other interruption of work is unauthorized and that the employees involved should immediately cease the violation. The Company agrees that neither it nor its representatives will put into effect any lockout during the term of this Agreement. In the event there is any unauthorized strike, stoppage of work, slowdown, or other interruption of work during the term of the Agreement, neither party shall be required to negotiate upon the merits of the dispute until such time as the illegal action is terminated.

(b) Since adequate provisions are hereby provided for the handling of grievances, there shall be no slowdown, sit-down, stoppage of work, strike or lockout over any matters subject to

the grievance procedure, including arbitration. In the event that any activity of the type described in this paragraph occurs, the Union will either at its own discretion, or upon proper signed notification by the Company to the Union, post the following notice, as provided in Paragraph (c) of this Section, as soon as possible on all bulletin boards referred to in this contract.

(c) TO ALL MEMBERS OF LOCAL NO. _____

DATE _____ You are advised that employees took certain unauthorized action in Department No. _____. This action is unauthorized by both the Local and the International Union. These employees engaging in such action are directed to promptly return to their respective jobs and to cease any action which may affect production. The grievance in dispute will be processed through the procedures provided in your Contract.

(d) It is agreed that an authorized officer of the Local Union and/or an authorized representative of the International Union shall sign the above notice.

(e) The Company agrees that in consideration of the carrying out of the responsibilities placed upon the Union and the International Union in Paragraph (a) of this Article that the Company will institute no action for monetary damages against the International Union or the Union, their officers, agents, or members which damage resulted from breach of Paragraph (a). In the event of such breach, the Company may take disciplinary action against the employees participating. This action may be subject to grievance procedure.

(f) When an employee or employees engage in a strike, work stoppage, slowdown, overtime ban, or other interruption of work, such employee and those participating with him may be disciplined and/or discharged. Only the question of fact as to whether or not the employee or employees did actually participate in or encourage such strike, work stoppage, slowdown, overtime ban, or other interruptions of work may be questioned under the grievance procedure of this Agreement. In the event that the matter is questioned under the grievance procedure and is not resolved, the fact of participation or non-participation may be referred to an arbitrator for determination. His only function shall be to determine whether or not there was participation or encouragement. If the arbitrator finds that the employee or employees did participate, the Company's disciplinary action concerning the employee shall stand. This paragraph of this Contract shall take precedence over all other sections of this Contract, all Memorandums of Understanding, all other Agreements, all supplements to this Contract, and all past practices insofar as they may relate to the matters covered by this paragraph.

ARTICLE V

Grievance Procedure

Section 1 - Representation and Responsibility

The supervisor and employee will consult directly on any dissatisfaction relating to the application or interpretation of this Agreement. Should the employee have any complaint with the Company, it is understood and agreed that the employee involved shall continue to perform the work in question unless it will endanger his life, limb, or safety, or that of other employees. The supervisor will follow through in such matter and attempt to adjust it. In the event a satisfactory adjustment is not made, then the employee or employees may submit his or their complaint in writing as a grievance, but this must be done within five (5) working days of the time when the employee reasonably should have had knowledge of the occurrence or event; otherwise, the grievance or complaint shall be considered dropped and not for further consideration. When filing a grievance, the grievant will give all facts known, and the Company will give in writing a detailed reply in all steps of the grievance procedure.

Section 2 - Definition of a Grievance

A grievance is defined as any difference or dispute as to the interpretation, scope, or application of the Agreement which allegations are reduced to writing and filed for processing through the grievance procedure.

Section 3 - Grievance Procedure

Any employee or group of employees who feel that proper consideration has not been given in any matter affecting employment, or who feel that inconsistent or preferential treatment has been exercised in the application of existing practices or in the application of this agreement, shall process the grievance in the following manner:

Step 1: The employee, either individually or in company with his Committeeman, shall first discuss the complaint with his immediate Supervisor. The Supervisor will answer the verbal complaint as soon as possible, but in no case will the answer be delayed more than two working days. If the aggrieved employee is not satisfied with this answer and desires to process the complaint further, he shall, along with his Department Chairman, discuss the complaint with his immediate Supervisor. If the aggrieved employee and Department Chairman are not satisfied with the answer, or if the answer is not received within two working days, the grievance may be reduced to writing on Grievance Form, signed by the Department Chairman, the employee, and forwarded to the Division Chairman for processing to the next step of the grievance procedure.

Step 2: Upon receipt of a written grievance, a meeting shall be held within three working days between the aggrieved employee(s), the Division Chairman, the Department Supervisor, and the Division Manager in his office or a meeting place designated by him to discuss the grievance.

In rate cases, the Company and the Union time study

personnel may also be requested and/or permitted to attend such meetings.

The grievance shall be answered in writing by the Division Manager and returned to the Division Chairman or Department Chairman within three (3) working days.

Should the Company fail to arrange a meeting within the specified time, or fail to give a written answer within the three (3) day limit, the Union may submit the grievance to the next step without delay unless there is a mutual agreement to extend the time limitation.

Step 3: If not settled in Step 2, the grievance shall be referred, within sixty (60) days, to the Union Grievance Committee consisting of three (3) employees for discussion with the Manager of Industrial Relations and/or his authorized representative at the monthly meeting. The Company shall give a written answer to the grievance within three (3) working days. If the answer rendered is not given within the time allowed, the Union may take the grievance to Step 4. Upon request of the Union, an International Representative will be permitted to participate in negotiations and arbitration commencing at Step 3.

Step 4: If the grievance is not satisfactorily settled in Step 3 of the Grievance procedure, it may be appealed in writing to arbitration. If the grievance is not appealed in writing to the Company requesting arbitration within forty-five (45) days of receipt of the answer rendered in Step 3, the Company's answer given shall be final and binding on the aggrieved and the Union.

Section 4

Unsettled grievances must be submitted to arbitration in chronological order unless mutually agreed otherwise. Discharge and suspension cases need not be taken in chronological order.

Any grievance not processed to arbitration within forty-five (45) days of Company's Step 3 answer shall be considered closed.

No grievances, verbal or written, withdrawn or dropped by the Union or granted by the Company prior to Step 3 will have any precedent value.

Section 5

Time lost by employees while conducting union business will be paid for by the Company from grievance hours agreed upon herein. The rate of pay shall be average hourly earnings, as defined in Article VIII, Section 2, Paragraph (e), sub-paragraph 6. The maximum number of hours to be paid by the Company as provided in this paragraph shall be determined for each week on the basis of thirteen (13) hours per week for each one-hundred (100) employees. The number of employees in the computation shall be the number of employees (on the active payroll in the bargaining unit plus the number of employees) not actively at work, but who have recall rights as of the first day of each month rounded to the nearest even one-hundred (100). If the total number of hours paid by the Company in a week is less than

the maximum, the remaining hours shall be added to the maximum number of hours computed for the following week. At the expiration of this Agreement, the Union will be permitted to carry over all of their unused hours.

Section 6

The Company recognizes the right of the Union to designate representatives to represent employees. They shall at all times be subject to all applicable rules and regulations of the Company and their duties as representatives shall not be permitted to unduly interfere with the performance of their duties as employees of the Company. If it is necessary for the representative to leave his job to handle a grievance, then the representative shall first notify his immediate supervisor and state the approximate time of the estimated absence from the job.

The supervisor will allow the representative to leave his job unless his absence will seriously interrupt production. The Company will make every reasonable effort to get the affected representative's job covered. The Union agrees that the representatives will perform their duties as quickly as possible.

On the designation or appointment of any employee as a representative, the Company shall be notified in writing of such representative's name, department and area of responsibility. The Company will keep the Union informed with an up-to-date list of supervisors.

ARTICLE VI

Arbitration

Section 1

The Company and the Union will try to mutually agree upon the selection of an impartial arbitrator. It is agreed that if the parties are unable to mutually agree on the selection of an arbitrator, the Federal Mediation and Conciliation Service will be notified within seven (7) days from the date written notice is received from the Union to arbitrate the grievance. The parties will join in requesting the Federal Mediation and Conciliation Service to submit a list of at least seven (7) arbitrators to hear and rule on the grievance. Within five (5) days after receipt of said list, an arbitrator shall be selected by the Company and the Union, alternately striking names from said list until one (1) name remains, such remaining individual to be the arbitrator. The winner of a coin toss will strike off the first name. By agreement of both parties, they may request a second list of arbitrators if the first list is not satisfactory.

Section 2

Within 90 days of ratification of this Agreement the parties have agreed to mutually select an arbitration panel of seven

arbitrators for non-incentive standard grievances. The FMCS may be contacted to assist in this process. In the event an arbitrator is required in accordance with Article V, the Company and Union shall select an arbitrator from the above panel by alternatively striking candidates from the list. The arbitrator selected shall hear the designated case and render his/her opinion in accordance with the provisions of this Agreement.

Should an arbitrator decline to continue to participate on the panel or become unavailable, the parties may mutually select a replacement. The parties may also select an arbitrator in accordance with Section 1 by mutual agreement rather than naming an arbitrator from the above referred panel.

Section 3

The arbitrator so selected shall schedule a prompt hearing at which time he shall have the power to make determinations of fact of the Agreement alleged to have been violated, so long as the grievance is submitted to him in accordance with the provisions, limitations and procedures specified in this Agreement. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify, or modify any of the terms of this Agreement or to impair any of the rights reserved to management.

The decision of the arbitrator shall be in writing and shall be final and binding upon the parties. The decision of the arbitrator shall be rendered within thirty (30) days after receiving briefs, or a closing argument if a brief is not filed.

The arbitrator shall have no power to establish wage ranges, job classifications, or fringe benefits of any kind.

Section 4

The parties may mutually agree to schedule more than one grievance to be heard by the arbitrator selected in accordance with Section 1 or 2 above.

Section 5

Each party shall bear the expenses incurred in the presentation of its case, and both parties shall equally share the expenses involved.

Section 6

In the event a matter referred to arbitration shall involve a question of time standards, incentive tasks, factual questions on changes in job content, or a question of determining relative job content affecting the labor grade position of a job, the arbitrator shall be a person qualified by training and experience as an expert in the field of Industrial Engineering.

ARTICLE VII

Wages and Hours

Section 1 - Hours of Work

(a) Eight consecutive hours of work in any 24-hour period shall constitute a standard work day. The hours of a work day are the 24-hour period commencing with the beginning of the employee's shift. The standard work week shall be five (5) consecutive eight (8) hour days beginning with the starting time of the employee's shift on the first day of the regularly scheduled work week.

(b) This article is intended to define the policy governing the hours of work and will not be construed as a guarantee of hours of work per day or per week. Based on production requirements, the Company may schedule jobs that require "start-up" or "shut down" operations for hours in excess of the standard eight (8) hour work shift.

(c) The standard starting times for shifts are as follows:

First Shift - 12:00 midnight
Second Shift - 8:00 a.m.
Third Shift - 4:00 p.m.

In addition, the Company may schedule a "Start Up Crew" at the beginning of the work week to begin work up to two (2) hours prior to the start of the normal shift. The regularly scheduled work week shall commence on Sunday night, 12:00 midnight.

Employees starting times may be established within one hour of the standard starting times in cases where production or maintenance requirements make it practical to do so. Part or all of the employees in the following classification may be scheduled in accordance with the above paragraph: Division 100 Utility Classification, Division 200-T Utility Classification, Division 200-C Calendar Crew or Relief/Utility, Division 300 Utility, Division 400 Trucker/Utility, Division 800 Maintenance.

Holiday premium pay and double time premium pay will not be applicable to standard shift hours that are part of the employee's shift for the day prior to or the day after the holiday or double time premium day, but fall within the 24 hours calendar holiday or premium day.

(d) Overtime and Premium Pay. Time and one-half compensation will be paid for work performed under the following conditions:

(1) in excess of forty (40) hours in any one work week.

- (2) in excess of eight (8) hours in any twenty-four (24) hour period.

Time and one-half compensation shall be paid for all work performed by any employee on his 6th day of work within his work week. The Company will consider any day for which an employee receives pay under any provision of the Agreement, including Article V, Section 5, as a day of work to determine if the employee is in fact eligible for time and one-half compensation on his sixth (6) day of work.

Double time shall be paid for all work performed by an employee on Sunday.

Any employee who works on a recognized paid holiday shall receive triple time for all hours worked if less than eight (8) hours and straight time pay for the remaining hours up to eight (8). Employees working in excess of eight (8) hours on a holiday will be paid triple time for all hours worked.

(e) It is understood and agreed that there shall be no pyramiding of overtime or premium pay, and that an employee shall receive only one overtime premium payment for the same hours worked. Such overtime or premium payment shall be highest applicable overtime or premium rate, but shall not be compounded or pyramided.

(f) Break periods will be ten (10) minutes for each half shift.

(g) A period of twenty (20) consecutive minutes per shift is available to each employee in which to eat lunch. Existing lunch allowance payments will remain in effect. An additional twenty (20) consecutive minutes will be allowed to employees working an additional four (4) hours overtime.

(h) Employees working in the same job classification may trade shifts temporarily for personal reasons with the consent of their supervisor and such permission shall be granted if the proposed trade does not interfere with the normal production and operation of the department. Such trade may be for a period up to two (2) weeks; and, if no complaint is reported, extensions of up to (2) weeks at a time may be agreed to by the Union representative and the supervisor. If there is a complaint, the Union representative and the department supervisor will meet and decide if further extensions are justified. Shift trades shall be in writing and signed by the employees involved. Such shift change must be made at the beginning of the work week and always include a full work week. Employees trading shifts shall assume the hours of the employees with whom they trade; and when they return to the regular shifts, they will again trade hours.

(i) In addition to voluntary overtime, each Production Unit employee can be required to work a maximum of twenty-four (24) 6-hour Saturday shifts during a calendar year.

(j) Normal operating hours for Saturday will be between the hours of 12:00 midnight and 6:00 p.m.

Sunday is also considered voluntary for production employees.

(k) In addition to voluntary overtime, each Production Unit

employee can be required to work a maximum of two (2) 4-hour overtime assignments during any work week. A sign up sheet will be posted at the appropriate time clock and come down no earlier than 2 hours prior to the end of the shift. Overtime will be awarded by first overtime first. A uniform by-pass sheet will be developed and implemented. No production unit employee will be required to work in excess of twelve (12) hours in any 24-hour period. However, this will not apply to employees working over on Friday and returning for their Saturday shift, nor to employees that are required to work an extra hour, one time per year, due to the change to daylight savings time which takes place in the fall of each year. In such cases, employees that qualify will be paid overtime premium. There will be no additional rest break allowed as a result of the time change. When the time changes away from daylight savings time in the spring, employees will work one hour less than their normal shift and may receive a SUB payment if he/she qualifies. Production Unit employees shall be permitted to choose the days Monday through Friday on which they may be scheduled in accordance with their seniority; i.e., the most senior will be given his choice of the two (2) days on which he can be scheduled. If his services are not required on either or both of the days assigned to him, he shall have no obligation to accept overtime Monday through Friday on the three (3) days not assigned to him. The Company shall prepare a preference list posted once each calendar quarter and assign Production Unit employees by the preference list. A Production Unit employee transferred from one job to another or one shift to another will be considered as least senior in his new area until the quarterly preference list is again posted. The number of employees scheduled to work on each given day shall be at the sole discretion of the Company.

In addition to voluntary overtime, each A & B shift production and maintenance unit employee can be required to work a maximum of six (6) 12 hour Saturday or Sunday shifts during a calendar year to cover for scheduled vacations or advance notice absences.

Voluntary overtime will be offered in increments of 6 or 12 hour blocks. Voluntary worked overtime coverage by A & B shift employees will be used to satisfy and reduce the amount of that employee's weekend overtime obligation. Two six hour schedules shall count as one twelve hour day and reduce the employee's yearly obligation by one day. Voluntary weekend overtime will be offered first to the low hour/most senior employee within the classification, and then, to other experienced qualified employees within the division of which the division manager approves. Scheduled overtime coverage will be handled on a rotating low hour/least senior basis.

It is understood that "A" shift employees will only be scheduled during the "C" shift block and "B" shift employees will only be scheduled during the "D" shift block on their scheduled

Saturday or Sunday.

C & D shift employees full week and/or one day vacation requests must be submitted to management for approval by Wednesday at 12:01a.m. for the upcoming weekend or the following week. In the event of an emergency, the Company may approve a shorter notice at its discretion. A & B shift employees will be informed of their requirement to work on Saturday or Sunday on Thursday.

If an employee is unable to schedule vacation because the number of employees scheduled meets the maximum of Article IX Section 1, the employee may schedule additional vacation by securing his/her own qualified replacement coverage from within his/her classification or other experienced qualified employees within the division of which the Division Manager approves. Such coverage will not count towards the fulfillment of A & B shift employees weekend overtime obligation.

If the Company elects to schedule any operations on a five day work schedule basis, the provisions of Article VII, Section (1) and Article XII regarding scheduled overtime for week day employees will apply.

(1) It is the intent that scheduled and voluntary overtime opportunity hours of work on each shift will be equitably distributed among experienced employees in the job classification who ordinarily perform the work available and taking into account Paragraphs (i) and (k) of this Section. Separate departmental records showing daily, Saturday, Sunday and holiday overtime hours worked or offered will be continuously maintained on each shift. All overtime offered, whether worked or declined, will be charged or counted as if worked. All hours will revert to zero (0) on January 1 of each year.

In the event errors occur in the offer of overtime, such error will be corrected at the first opportunity. In the correction of such errors, the employee affected shall have the first opportunity to work. If no work opportunity arises by the end of the year, the affected employees shall be remunerated for the loss of opportunities incurred. However, in the event an error occurs within the last forty-five (45) days of the calendar year, the termination period for the error to be corrected will be extended by forty-five (45) days beyond the date of the alleged infraction.

(m) A uniform by-pass and sign-up sheet will be developed for use throughout the plant. The Company will develop a system whereby the overtime record of employees in each classification will be made available to employees in the department at the beginning of each week.

The Company and Union agree to meet and discuss the system to be used as soon as possible after the effective date of

the new agreement.

Section 2 - Reporting Pay

If an employee reports for work at the start of his regular shift or at a time agreed to by his supervisor, and there is no work on the job, he will be assigned other work for at least four hours at his day work base rate or the rate of job assigned, whichever is greater. If the above occurs on a day when premium payment is required, such premium shall be paid.

The above shall not be applicable in the event of any one of the following:

- 1) If you were notified not to report to work.
- 2) If you have not furnished the Company your current phone number.
- 3) If you were absent on the previous work day without just cause.
- 4) If you elect to decline other work offered for which you are equipped and capable to perform.
- 5) If operations are suspended due to a major mechanical breakdown, fire, flood, tornado, power failure, or other similar reasons beyond the control of the Company.

Section 3 - Temporary Transfer

When an employee is temporarily assigned a job or any work for four (4) hours or more other than his regular job during his regular or overtime shift, such employee will be paid his average hourly earnings, his day work base rate plus factory bonus, or his incentive earnings on the assigned job, whichever is greater, provided such employee puts forth a reasonable effort. A temporary transfer shall not exceed thirty (30) days unless otherwise mutually agreed by the Company and Union Bargaining Committee.

If the Company determines that overtime work is necessary, the Temporary Transfer provision will not be used to intentionally transfer overtime opportunities from one classification to another unless it is necessary to do so due to the qualifications of the employee and the work required to be done.

Section 4 - Light Duty Pay

If a medically restricted person can fully perform his job, or another job classification to which the Company would have had to move another employee, he will be paid the applicable rate plus factory or earned bonus.

Section 5 - Shift Differential

A shift differential of \$0.30 shall be paid for hours worked

between the time of 4:00 p.m. and 8:00 a.m.

Section 6 - Cost-of-Living Allowance

1. The Cost of Living Allowance, if any, will be determined in accordance with changes in the Consumer Price Index -- United States City Average for Urban Wage Earners and Clerical Workers (1967 = 100) Revised Series as amended for the month of January, 1987 and subsequent months published by the Bureau of Labor Statistics, hereinafter referred to as the CPI-W.

2. Cost of Living Allowances will be made at the following times:

Effective Date of Adjustment	Based Upon Three Month Average of The CPI-W For:
October 6, 1997	June, July, August 1997
January 5, 1998	September, October, November 1997
April 6, 1998	December 1997, January, February 1998
July 6, 1998	March, April, May 1998
October 5, 1998	June, July, August 1998
January 4, 1999	September, October, November 1998
April 5, 1999	December 1998, January, February 1999
July 5, 1999	March, April, May 1999
October 4, 1999	June, July, August 1999
January 3, 2000	September, October, November 1999
April 3, 2000	December 1999, January, February 2000
July 3, 2000	March, April, May 2000
October 2, 2000	June, July, August 2000
January 1, 2001	September, October, November 2000
April 2, 2001	December 2000, January, February 2001
July 2, 2001	March, April, May 2001
October 1, 2001	June, July, August 2001
January 7, 2002	September, October, November 2001
April 1, 2002	December 2001, January, February 2002
July 1, 2002	March, April, May 2002
October 7, 2002	June, July, August 2002
January 6, 2003	September, October, November 2002
April 7, 2003	December 2002, January, February 2003

The Base for the adjustments will be the average CPI-W for the months of March, April, May 1997.

The amount of the Cost of Living Allowance payable on each Effective Date of Adjustment will be determined by comparing the three month average CPI-W for the adjustment period to the Base. \$.01 per hour for each full .26 of a point change that the three month average CPI-W for the adjustment period exceeds the Base will be added to any Cost of Living Allowance payable effective July 7, 1997 which has not been incorporated into the wage structure. The Cost of Living Allowance will be paid as a separate rate per hour for all hours for which employees receive pay from the Company.

3. In determining the Base and the three month average of the CPI-W for a specified period, the computed average shall be rounded to the nearest 0.1 Index Point using the Engineering Method of Rounding.
4. In the event the Bureau of Labor Statistics does not issue the appropriate CPI-W on or before the Effective Date of Adjustment, the Cost of Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index and paid retroactively to the Effective Date of Adjustment.
5. No adjustment, retroactive or otherwise, shall be made in pay or benefits as a result of any revision which later may be made in the published figures for the Index for any month on the basis of which the cost-of-living calculation shall have been determined.
6. In no event will a decline in the CPI-W be cause to reduce any Cost of Living Allowances that have been made prior to such decline.
7. The Cost of Living Allowances are dependent upon the availability of the BLS CPI-W in its present form and calculated on the same basis as the Index for February, 1991. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W or is unable or fails to make said CPI-W available, the parties shall negotiate on the adoption of an appropriate substitute CPI-W which most accurately reflects the spending habits of the affected employees.

In the event the BLS discontinues the publication of the CPI-W on the 1967=100 base, the parties shall change the Cost of Living Allowance (COLA) calculation set forth above to maintain the same cents-per-hour COLA payment as would result by using the 1967=100 base and \$.01/.26 point formula.

Failing agreement in such negotiations, the parties shall submit the issue of what shall constitute an appropriate substitute CPI-W to final and binding arbitration.

Section 7 - Paychecks

Paychecks will be issued weekly. Normal payday will be Friday; however, the Company will make every reasonable effort to have available and issue weekly checks on Thursday for 2nd and 3rd shifts, and Friday for 1st shift.

Section 8 - Pay Corrections

If any employee has a pay shortage of four (4) hours or more which is caused by a Company error, a supplemental check for the amount of the shortage will be issued within twenty-four (24) working hours from when it is called to the attention of the Company.

ARTICLE VIII

Wage Application Provisions

Section 1 - Base Rate, Incentive Standards, and Factory Bonus Labor Grade

(a) All day work base rates on newly created jobs, and on jobs where there has been a change in job content, shall be arrived at by the use of Industrial Engineering techniques which establishes a fair and reasonable relationship between all jobs in the plant. When the engineering study has been completed, the Union will be advised what the labor grade will be, as far in advance of the effective date as practical. Upon request of the Union, the Company will make available for inspection the factors used in establishing the labor grade. Any question as to the adequacy of these factors shall be subject to review under the grievance and arbitration procedures. Any adjustment made in the labor grade shall be retroactive to the effective date of the change provided a protest is made within thirty (30) days of the change.

Incentive Standards

(b) When incentive standards are established on new or existing operations, such incentive standards shall be established by accepted Industrial Engineering techniques, so that the average experienced employee working at an incentive pace will be able to earn 25% above the base rate of the job, or more for above average employees.

Factory Bonus

(c) The Company presently pays all eligible employees not working on individual incentive jobs a factory bonus. It is the intent of the parties to revise the present factory bonus system to provide better individual incentive for improving productivity and cost effectiveness. Until such time as the Company formulates such a plan, the present factory bonus system shall

remain in effect. If at any time during the Agreement the Company desires to open negotiations for the limited purpose of negotiating with the Union a bonus system to replace the present Factory Bonus, then the Company shall give the Union notice in writing no less than 15 days prior to the start of such negotiations.

Section 2 - Individual Incentive System

(a) Both the Company and the Union are aware of the problems that sometimes develop in the operations of an individual incentive system and, therefore, it is the desire of both parties to maintain an equitable plan which assures both parties of fair treatment. Adequate safeguards and protection for both the employees and the Company are incorporated into the rules governing operation of the plan to ensure that it operates equitably.

The details included in this Agreement are designed to minimize the areas in which a misunderstanding may occur. Where situations arise which are not specifically covered by this Agreement, it is agreed that the basic principles of this Agreement will apply to such situations. Both parties agree that neither will attempt to gain an undue advantage through ignorance or oversight of the other party. The basic principle of fair play and equity shall govern all relations between the Union and the Company in the interpretation and administration of the incentive system and the establishment of time standards.

(b) Principles for Establishment of Incentive Standards

(1) Incentive standards shall be based on the principle that an average worker possessing the skills for the job shall be able to earn 25% above the base rate of the job when working at an incentive pace.

It is agreed that his 25% earnings potential will be incorporated into all incentive standards. This does not mean that the employees are assured 25% regardless of the effort expended on the job. The basic principle is that the incentive standards are established to permit the average experienced employee working at an incentive pace to be able to earn 25% above the base rate of the job.

(2) For purposes of incentive standards administration, an operation is defined as the performance of a given task following specific procedures and/or methods detailed on an operation sheet, time study sheet, or standards sheet, employing the equipment, methods, materials, and quality standards specified for the operation.

(3) Following from the definition of an operation, a change of operation is defined as a change in any of the methods, procedures, quality standards, equipment, or material which were specified for the original operation.

(4) It is agreed that no change in established incentive standards will be made unless changes are made in the job content, such as method construction, group arrangement, layout, equipment, material, or material specifications which will

increase or decrease the time necessary to produce a unit of production. Any change in established incentive standards will be made commensurate with the degree of change in job content, so that the average hourly worker possessing the skills for the job shall be able to earn 25% in excess of the standard when working at an incentive pace. The elements in the old rate which are not being changed shall not be disturbed if there is no change in the elemental time.

(5) Should it be found that a mathematical error which can clearly be demonstrated as such, was made in the calculation of an incentive standard, the Company will recalculate the standards and place it into effect after notification to the Union. No retroactive action shall take place as a result of the error.

(6) The essence of the incentive standard is that it specifically represents the time required to perform a given task and not the finished units resulting from the operation. It is agreed that the definition of the incentive standard applies to the work content and not to the unit produced.

(7) The Company shall have the right to audit incentive standards to insure that they are properly applied and that operations are performed as required by the standards. Where discrepancies are determined, the Company shall take corrective steps within the intent of this Agreement. The Union shall likewise have the right to bring differences to the Company's attention for corrective action.

(8) It is agreed that the Company shall, when practical, base its incentive standards on the full use of an employee's time, which consists of full time on the job less necessary allowances such as rest periods, lunch, fatigue, and miscellaneous delays.

(9) It is understood that in situations where it is shown that the full time of employees is not utilized due to the nature of the operation, the Company may add additional work.

(10) In all incentive operations, it shall be a function of the Company to determine the standard method and procedure to be used in this method and procedure. All employees are required to adhere to the standard method for each operation during the taking of work measurement studies. It is agreed that all incentive standards shall be set, so that job expectancy as defined herein may be achieved.

(c) Changes in Incentive Standards

(1) When changes in established incentive standards are to be made, the Company will make necessary studies of the factors which determine what changes should be made. When the necessary studies have been completed, the Union will be advised as to what the change will be as far in advance as possible, and upon the request of the Union, the Company will make available to the Union for inspection the complete data showing the basis on which the standard was determined.

(2) The parties agree that a standard shall be given a trial period of twenty (20) working days. During this trial period, the employees involved shall give the standard a fair trial. At the end of the trial period, any dispute that may arise

respective to a standard shall be subject to a review under the grievance procedure, including arbitration.

(3) Any adjustment in excess of 5% made in the standard shall be retroactive to the effective date of the standard. If no protest is received within five (5) days after the end of the trial period, the standard shall be considered accepted. Any adjustment based on a grievance of an accepted standard shall be retroactive to the date the grievance is reduced to writing.

(4) In the case of disputed standards that are pending in Step 3 of the Grievance Procedure, the Local Union Time Study Engineer or the International Time Study Engineer may be called in upon request of the Union to take studies of operations covered by the disputed standard, or such other operations as necessary in order to resolve the dispute.

(5) In the event the grievance is not settled between the parties, then the Union may submit the grievance to arbitration in accordance with the Grievance and Arbitration Procedure set out in this Agreement. If so submitted, the Arbitrator shall resolve the matter on the basis of studies conducted by him and/or data submitted by the parties. It is agreed that the arbitrator selected must be qualified by background and experience to handle work measurement and wage incentive issues. During the processing of a grievance, the incentive standards, conditions, and procedures established by the Company shall continue in effect subject only to change by mutual agreement of the parties or by an arbitrator's ruling.

(d) Special Wage Guarantees

Incentive workers who are working on an off-standard condition will be compensated in the following manner:

(1) for and during the first day of continuous off-standard conditions, the employee affected receives base rate;

(2) for and during the second consecutive day of off-standard conditions, the employee affected receives 95% of average hourly earnings;

(3) commencing the start of the third consecutive day of off-standard conditions, the employee affected receives 100% of average hourly earnings.

(4) Notwithstanding the above, incentive workers or employees who are shut down by their supervisor when their machine is capable of running, and when they have materials available, or when they are instructed to perform instruction work, experimental and development work, build check tires, and make changeovers, will be paid average hourly earnings, provided the employee puts forth a reasonable effort.

Incentive workers who are working on a no-rate condition will be compensated in the following manner:

(1) For and during the first day of continuous no-rate conditions, the affected employee receives 90% of average hourly earnings.

(2) For and during the second day of continuous no-rate conditions, the affected employee receives 95% of average hourly earnings.

(3) For and during the third day of continuous no-rate

conditions, the affected employee receives 100% of average hourly earnings.

(e) Delays

(1) Employees working on their assigned jobs who are delayed for a period of more than 1/10 of an hour by machine breakdown; or where no materials are available, and where such delay time is not already included in the incentive standard for the job, shall be paid at their applicable base rate. The employee's supervisor must be notified immediately of any delay for the above reasons, or such delays will not be allowed.

(2) Under such conditions, the employee may be required to perform other work within his own job classification for which he shall be paid his base rate, or be required to work in another job classification for which he shall be paid in accordance with Article VII, Section 3.

(3) In the event there is any interruption in plant operations due to a work stoppage or slowdown, the Company will not be required to compensate any employee involved in or affected by such interruption for earnings lost as a result thereof.

(4) Incentive standards will be expressed in terms of standard hours per 100 units, the manual times leveled to a 100% normal (3 MPH) pace, and machine times inflated by a factor of 1.333. Incentive pay will be calculated on the basis of computing earned hours (earned hours equals standard hours per 100 units times units produced divided by 100).

(5) Incentive earnings shall be computed on a daily basis. Incentive pay earned in any one day cannot be lost through substandard production on any other day.

(6) The term "Average Hourly Earnings" as used in this Agreement is hereby defined for an employee on day work as his straight-time average hourly earnings and for an employee on incentive as his straight-time average hourly earnings of the last pay period in which at least sixteen (16) hours of incentive work on his regular job on rates not under protest. The last pay period is the last week for which the employee has received payment.

(f) Wage Incentive Plan

(1) The wage incentive plan is based upon the principle that a 1% increase in pay results from each 1% increase in effectiveness for all acceptable quality production which can be measured. It is understood that the same effort presently expended by incentive workers will continue to be put forth once the "one for one" incentive system is installed.

(2) Incentive standards do not include lunch and break times. This time shall be paid separately at the employee's percent effectiveness. (Effectiveness equals earned hours divided by hours on-standard).

(3) Incentive workers are guaranteed that their wages will not fall below base-rate (100%) provided that reasonable effort is put forth whether working on overtime or straight time. Any guarantee will be calculated based on their average performance for all hours worked during a given work day.

Section 3 - Wage Progression for Employees Working on Day Work
Jobs and Incentive Jobs

(a) Day Work Jobs

(1) When an employee hires into a Day Work Job, he shall receive the hire-in rate of the job and progress to the base rate in six (6) equal increments paid for each two (2) months worked. The hire-in rate shall be 70% of the base rate and COLA plus all add-ons for the particular job classification. The employee will start receiving factory bonus after two hundred (200) working hours.

(2) When an employee bids or transfers into a Day Work Job, he shall receive the day work base rate of the job. He will start receiving factory bonus after eighty (80) working hours. If the employee has held the job classification within the last five (5) years and/or requires no training, he will be paid factory bonus from the first day.

(b) Incentive Jobs

(1) When an employee hires into an incentive job, he will receive the hire-in rate of the job and progress to the base rate in six (6) equal increments paid for each two (2) months worked. The hire-in rate will be 70% of the base rate and COLA plus all add-ons for the particular job classification. Such employee will be expected to progress to job expectancy. Should such employee maintain a 100% performance level for five (5) consecutive work days, he will be placed at the base rate of the job, and will be eligible for incentive earnings.

(2) When an employee bids or transfers into an incentive job, he shall receive the base rate of the job. An employee on an incentive job will be expected to progress to job expectancy. Such employee, however, will be eligible for incentive earnings after maintaining a 100% performance level for five (5) consecutive work days.

(c) New Employee Wage Payment Schedule

Notwithstanding the applicable provisions of the Agreements, including the Collective Bargaining Agreement, the Pension, Insurance and Service Award Agreement and the Supplemental Unemployment Benefits Plan, the parties agree to the following wage payment schedule for all individuals hired as new employees: (Effective 07/24/97).

Service on the Active Payroll	Percent of Regular Wage Payment to be Made
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Hire - 6 months	70 percent
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7 months - 12 months	75 percent
13 months - 18 months	80 percent
19 months - 24 months	85 percent
25 months - 30 months	90 percent
31 months - 36 months	95 percent
After 36 months	Eligible for 100 percent of provisions of the agreements.

The applicable provisions of the negotiated Agreements include, but are not limited to, all provisions providing for wage payment(s) or benefit payment(s) determined by wage rates. The above provisions shall not apply to employees hired or transferred into the maintenance technician classification.

Section 4 - Other Provisions

(a) The Company shall provide to the Union the job evaluation plan for all jobs.

(b) The Company shall make available in the applicable department the standard operations procedure for all incentive jobs.

(c) All incentive employees on overtime will be required to run 125%.

(d) There will be no changes in blems or scrap presently being used to figure factory bonus.

(e) Temporary rates which remain in effect after 60 days without written protest shall become permanent.

ARTICLE IX

Payment For Time Not Worked

Section 1 - Vacations

(a) Vacation period shall be a calendar year basis from January 1, through December 31 inclusive.

Employees shall be granted vacations with pay in accordance with the following schedule:

More than one (1) year but less than eighteen (18) months of continuous service with the Company on or before December 31 of the current calendar year, one (1) week vacation, 2 percent of total earnings of preceding calendar year vacation pay.

After one (1) year, if the employee will have more than eighteen (18) months but less than five (5) years continuous service with the Company on or before December 31 of current calendar year, two (2) weeks vacation, 4 percent of total earnings of preceding calendar year vacation pay.

More than five (5) years of continuous service with the Company on or before December 31 of current calendar year, three (3) weeks vacation, 6 percent of total earnings of preceding calendar year vacation pay.

More than twelve (12) years of continuous service with the

Company on or before December 31 of current calendar year, four (4) weeks vacation, 8 percent of total earnings of the preceding calendar year vacation pay.

More than twenty (20) years of continuous service on or before December 31 of current calendar year, five (5) weeks vacation, 10 percent of total earnings of preceding calendar year vacation pay.

More than twenty-five (25) years of continuous service on or before December 31 of current calendar year, six (6) weeks vacation, 12 percent of total earnings of preceding calendar year vacation pay.

In the calendar year an employee becomes eligible for an additional week of vacation, he may take his vacation, but will not receive his additional week of vacation pay until the date of his anniversary.

In the calendar year when an employee becomes eligible for an additional weeks' vacation, he may take vacation pay in lieu of time off after he reaches the date of his anniversary.

(b) The Company will close the Plant for one (1) week each year for vacation, repairs, installation of new equipment, or rearrangement of existing equipment, and taking of inventories. This shutdown will be scheduled during the months of June, July or August and employees will be notified of the shutdown schedule prior to starting canvassing for the following year's vacation. The shutdown will not occur during a holiday week unless mutually agreed by the Company and Union. If such agreement is reached the shutdown week will be extended by one day.

This shutdown will be used to dispose of employee vacations for all eligible employees. Maintenance employees will be required to work during this shutdown unless there are sufficient number of other maintenance employees and/or outside contractors to accomplish the work that is scheduled. Although it is generally anticipated that maintenance employees will be required to work during the vacation shutdown, there may be occasions where the Company will schedule maintenance employees for vacation during the shutdown in addition to those who have scheduled vacation in accordance with paragraph (b) above. In that event, such employees will be notified at least 30 days prior to the shutdown. However, the Company may modify this schedule in the event of emergencies.

In the event the plant is operating on a continuous seven day basis, the vacation schedule for modified weekend crew employees may be staggered due to startup and shutdown requirements but in no event shall their vacation period be less than seven consecutive days. Under normal circumstances the shutdown for weekend crew employees will begin between 4 p.m. Friday and be completed by noon Sunday.

(c) The right to schedule the date of all vacations is exclusively reserved to the Company to insure orderly and efficient operations and conduct of the business. To obtain this end, the Company shall not be required to schedule more than 10% of the employees in a classification in any department, nor more

than 10% of the total department during any vacation period. An employee shall make his vacation choice by seniority. Such choice shall not be changed without approval of the employee, except for an employee who is moved into another classification in which the existing employees in the classification have already chosen the time he previously chose. In such situation, he must select from the vacation vacancies existing in the classification. Any eligible employee may continue working and receive vacation pay as above provided in lieu of actual vacation from work for any weeks in excess of two (2) in a given year.

An employee may take two (2) weeks of vacation a day at a time. One day vacations must be approved in writing at least 24 hours in advance. Under no circumstances will any one-day vacation be approved without a 24-hour prior approval.

(d) Vacation pay will be paid on the payday before an employee takes his vacation. Any employee may request his vacation pay prior to his vacation by written request through the General Manager in cases of extreme emergencies.

In the event an employee who is entitled to vacation pay dies before payment is made, such payment shall be made only to the person or persons designated as beneficiary of the life insurance benefits provided by the Company, or to the estate, in that order.

(e) An employee who is qualified for holiday pay as provided by the contract, shall be paid for any holiday that falls within his vacation time.

(f) An employee terminated for any reason after completion of his first year of continuous service shall receive vacation pay due him based upon the proper percentage of his previous year's earnings as provided in "a" above.

(g) Employees who have more than one (1) year of service shall be paid a minimum vacation pay because of layoff, illness, or military service when they have returned to active employment.

Minimum vacation pay shall be thirty-two (32) hours multiplied by the employee's average hourly earnings for each week of vacation. Minimum vacation pay, paid because of illness, shall be paid once during the life of the Agreement. An employee shall not be paid minimum vacation pay when such pay is less than his earned vacation as computed by the above table.

(h) Vacation pay for a new employee who has completed one (1) year of service will be computed on four percent (4%) of his total earnings during the preceding twelve (12) month period from his first anniversary date.

(i) After two (2) weeks notice, canvassing of employees for asserting preference will start in December for the following year's vacation. The Company will furnish a receipt for the scheduled vacation signed by the employee and the Company.

(j) Employees will be allowed to carry over a maximum of one week of vacation into the next calendar year. Such vacation must be taken within the first three months.

(k) In classifications or divisions where there is at least one employee on vacation every scheduled work week of the year or in cases where the Company determines it is practical to do so,

the Company may hire relief employee(s) to cover for vacationing or absent employees. This relief employee's classification will be Production Specialist, and they may be required to work different shifts and/or classifications weekly, within their assigned divisions, depending on the vacation schedule or other known absences. In cases where there are no absences or no employees on vacation, then such employees may be used where needed in the division or plant. These jobs will be awarded in accordance with Article X, Section 5. Job Bids.

(1) With one (1) week advance notice, to Supervisor, employees may reschedule full week vacations provided that it complies with other terms of the agreement.

Any exception to the above or rescheduling of one day vacations must be approved by the Division Manager.

Section 2 - Holidays

The holidays recognized by this Agreement are as follows:

- | | |
|--------------------|---------------------------|
| (a) New Year's Day | Thanksgiving Day |
| Good Friday | Friday After Thanksgiving |
| Memorial Day | Christmas Eve |
| Independence Day | Christmas Day |
| Labor Day | New Year's Eve |

Agreed upon floater Holiday schedule for term of contract:

See letter in back of C.B.A.

(b) When any of the holidays fall on a Saturday or Sunday, the preceding Friday or the following Monday will be recognized as a paid holiday. No two (2) holidays will be observed on the same day.

(c) In order to be eligible for holiday pay, an employee must have completed his probationary period and have worked his last regularly scheduled shift prior to and his first scheduled shift after the holiday. An employee with seniority who is absent from work due to a layoff, an injury or illness supported by medical evidence, which occurred not more than thirty days prior to the holiday, or who returns to work within thirty (30) days after the holiday, shall be paid for the holiday.

An employee shall not be eligible for such payment, if he is absent on his last regularly scheduled shift prior to or his first regularly scheduled shift after such holiday, unless he can present evidence that his absence was justified and reasonable.

(d) When a holiday occurs while an employee is absent and receiving Military Encampment Pay, then he will not receive holiday pay. Laid-off employees eligible for SUB will not receive holiday pay.

(e) Employees will be paid average hourly earnings for eight (8) hours for such holiday.

(f) Maintenance employees will not be required to work on holidays, except in cases of emergency. Emergencies will be

determined by the Company, taking into consideration possible losses of production. Any employee who agrees to work on a holiday and who fails to report to work will not receive holiday pay unless the employee presents evidence that his absence was justified and reasonable.

Section 3 - Bereavement Leave

An employee with Seniority who suffers a death in his family shall be entitled to bereavement leave pay in accordance with the following:

If an employee is absent from work due to a death of a parent, child, spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother, brother-in-law, sister, sister-in-law, grandparent, great-grandparent, grandchild, great-grandchild, grandparent and great-grandparent of the spouse, spouse's brother-in-law, spouse's sister-in-law, or dependent who lives in the household, he will be paid for the time lost for three (3) working days. The above categories of relatives include step-relatives, half-relatives, and legally adopted children.

If an employee is notified of a death in the first four (4) hours of his regular shift and leaves work he will be paid for the remainder of his shift and be entitled to two (2) additional days. If an employee is notified of a death in the last four (4) hours of his regular shift and leaves work he will not be paid for the remainder of his shift and will be entitled to three (3) days.

If a death occurs during an employee's vacation or holiday, his vacation or holiday will be extended an additional three (3) working days.

In the event of a situation involving multiple deaths of covered relatives as stated above, bereavement leave may be extended up to three (3) days for each covered relative.

In the application of this clause with respect to in-laws, payment for any such relationship will be limited to those resulting from the employee's current marital status. When a marriage has been terminated by death and there has been no subsequent marriage, the in-law relationship will be recognized.

Subject employees shall be paid their average hourly earnings as defined in Article VIII, Section 2, Paragraph (e), Sub-paragraph 6.

With proper notice to the Company and proof of death, employees will be allowed one day off work, without pay, to attend the funeral of aunts and uncles of the employee, or aunts and uncles of the employee's spouse. Such absences will not count against the employee's perfect attendance or for disciplinary purposes.

Section 4 - Military Encampment Pay

An employee with seniority who is a member of a reserve component of the Armed Forces, who is required to enter active annual training or temporary special service duty, shall be paid the difference between the amount of pay he receives from the State or Federal Government for such duty and normal weekly earnings calculated on his average hourly earnings or day work base rate, whichever is greater, for the period of time lost while on such duty up to a maximum of four weeks per year at the hours he would have been scheduled to work. Such items as subsistence, rental, or travel allowance shall not be included in determining pay received from the Government.

In order to receive military makeup pay, the employee must obtain a form from the Personnel Department. This form must be properly completed and returned to the Personnel Department after the employee completes his military training.

Section 5 - Jury Duty

If an employee with seniority is required to serve on a municipal, County, Federal, or Grand Jury, he shall be paid the difference between the amount paid for such service and his average hourly earnings or his day work base rate, whichever is greater, for each day lost from his regularly scheduled work shift by reason of such service, subject to the following provisions:

(a) Employees must notify their supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty.

(b) In order to be properly paid for jury duty, employees must obtain a jury duty form from the Personnel Department and have it completed and signed by the appropriate court official of the days and times of duty, the hours of release, and the amount of pay received. This form must be turned in to the Personnel Department at the end of each week.

(c) Any employee called for jury duty and who is temporarily excused from attendance at court, must report for work if four hours remain to be worked on his shift each day during assignment to jury duty.

(d) Employees selected for jury duty who are on other than the day shift will be required to remain on their resident shift. If the employee actually serves four (4) hours or less on jury duty, he will be required to report to work on his resident shift or the balance of his shift that remains.

Section 6 - Occupational Injury

Employees injured in the factory who are treated in the Dispensary, Doctor's office, or hospital, and who are then sent home shall be paid their earnings for the time worked, plus their average hourly earnings or day work base rate, whichever is greater, for the balance of their shift.

Under above paragraph, it is to be understood that payment

for the time not worked shall be made only for the remainder of the shift on which the employee was injured. In no event shall any employee be paid for hours not worked on two different days for the same injury.

Employees who are treated in the Dispensary, Doctor's office or hospital for an injury in the factory, and return to work, shall be paid their average hourly earnings or day work base rate, whichever is greater for the time required for such treatment.

Employees who suffer occupational injury or illness who have returned to work will be paid for a return visit.

ARTICLE X

Seniority

Section 1

Seniority is preference or priority by length of service with definite rights qualifying employees for employment when work is available and is defined as continuous service with the Company for purposes of jobs, hours, layoff, and recall as herein set forth. When there has been a break in service, an employee's seniority shall date from the last date of hire. There will be two (2) seniority units, "Production" and "Maintenance" each having separate seniority lists, except for job bidding. An employee with seniority who is interested in transferring from the Production Unit to the Maintenance Unit and whose Personnel File indicates the necessary qualifying experience will be awarded the job vacancy under the job posting procedure.

Employees may bid out of the Maintenance Unit subject to the following limitations: No more than three (3) employees may bid out within one (1) calendar year, it being understood that such three (3) bids must be separated by an interval of three (3) months.

Section 2

A new employee shall be regarded as a probationary employee and shall not have seniority status under this Agreement until he has completed sixty (60) days of continuous service with the Company. Upon request and by mutual agreement with the Union, the probationary period may be extended for up to thirty (30) days. At the conclusion of such probationary period, the employee's seniority shall date back to the date of last hiring.

During said probationary period, such employee may be separated from the Company for any cause without recourse to the arbitration procedure herein set forth in this Agreement. When the employees' latest dates of hire are on the same calendar day, the employee with the lowest payroll number will be considered the one with the most seniority.

Section 3 - Loss of Seniority

An employee's continuous service will be considered terminated and his name removed from the seniority roster if he:

- (a) Voluntarily terminates his employment with the Company;
- (b) Is discharged for just cause;
- (c) Is absent for three (3) consecutive days without report; an employee whose service is so terminated shall be reinstated only if he supplies evidence that his failure to comply with the terms of this provision was justified by reasonable excuse.
- (d) Fails to return to work at the expiration of a leave of absence;
- (e) Accepts self-employment or other employment while on a personal leave of absence or on a leave of absence and drawing S & A benefits.
- (f) Fails to return to work within seven (7) days of receipt of notification to return from a layoff by certified mail at his last known address; any extension will be by mutual agreement;
- (g) Is on layoff from the Company for more than sixty (60) months.

Section 4 - Layoffs

In the event of layoffs exceeding five (5) working days, employees may exercise their seniority in accordance with this section. Layoff is defined to mean that there is a permanent surplus of labor on one or more jobs. Employees shall be removed from such jobs in the reverse order of their seniority. It is understood that probationary employees will be laid off first. Employees so removed from their job shall be referred to the Personnel Department to fill available vacancies. If there are no vacancies, or the employee cannot qualify for the vacancy, an employee with seniority will be given the opportunity to bump into a job in his resident division for which he can qualify in line with his seniority. The employee with seniority who is displaced in his division will be given an opportunity to bump into the first job for which he can qualify in line with his seniority. The employee with seniority who is displaced in his division will be given an opportunity to bump into the first job for which he can qualify in line with his seniority by starting with the least senior employee in the plant.

When it becomes necessary to lay off employees who have seniority, the Company will give these employees a three (3) day notice excluding Saturday, Sunday, and Holidays, or in lieu of such notice, will pay the employees three (3) days pay at their average hourly earnings. This paragraph will apply only to those employees who are being removed from the payroll.

It is understood that the jobs of L-Calender Operator and Tuber Operator take an extended period of time to learn and, therefore, it is agreed that no more than one L-Calender or Tuber Operator can be bumped during any ninety-day period, unless the employee seeking to bump into these bids is fully qualified for the work by reason of having previously performed the job being performed by the junior employee whom he seeks to displace.

Section 5 - Job Bids

When there is a job vacancy for which the Company has determined that it will require a replacement, the vacancy will be posted on the bulletin board. The notice shall specify the job title, rate of pay, and if day work or incentive. The notice will be posted during the periods of 4:00 p.m. Friday to 4:00 p.m. Monday or 9:00 a.m. Tuesday to 9:00 a.m. Friday.

An employee who is eligible and wishes to apply for the posted vacancy will complete a form provided by the Personnel Department, and his bid will be considered provided he completes the form during the specified posting time period when the vacancy notice is posted. Once an employee has signed for a job vacancy, his name can only be removed by completing a bid cancellation form which must be time/date stamped and placed in the bid box during the posting period.

Any job that has been posted will not be posted again until fourteen (14) working days after the original posting. Any job vacancy occurring during this period will be offered to the senior eligible employee of the last posting. There shall be no more than three (3) job bids in any one chain of postings. Subsequent vacancies created as a result of the posting will be filled from the balance pool if available or recalled from layoff. Recalled or new employees will be assigned to the balance pool. Employees will not be eligible to bid for another job until twelve (12) months from their hire date. Beginning January 1, 1986, employees awarded a job under the job posting procedure will not be eligible to bid for another job until twelve (12) months from the date the job is awarded. Employees awarded a job in the classification of L-Calender, Fabric/Steel Cord Calender, Tuber Operator, Inspector, or Beadwinder will not be eligible to bid for another job until eighteen (18) months from the date the job is awarded.

Disqualified employees will not be allowed to bid back to a job they have been disqualified from unless disqualified for a personal reason that has been corrected.

Posted vacancies will be filled by eligible qualified bidders in the following order:

(a) The senior employee in the plant who has been removed from the job previously because of being laid off from his classification within the previous twelve (12) months. Such employee must have been permanently assigned to the job for a minimum of six (6) consecutive months.

(b) The senior eligible employee in the plant who meets the qualifications for the job.

(c) The senior employee in the balance pool who meets the qualifications of the job.

(d) The senior employee on layoff who meets the qualifications of the job.

(e) A job vacancy shall be defined as any job that is covered continuously by overtime or a job transfer for a period

of more than thirty (30) working days, unless the job is vacant for a reason when it is known that the employee will return. This may be extended by mutual agreement between Company and Union Bargaining Committee.

When a job is awarded in accordance with the above procedure, for purposes of shift preference, scheduling vacation, and new quarterly preference day selection, the employee's seniority will be recognized in the new classification provided that such employee notifies the supervisor of the work area immediately of his preference. However, it is understood that such employee will not be allowed to bump less senior employees of vacation that may already be scheduled and approved, and all other vacation restrictions will continue to apply. The Company will not unreasonably delay the transfer of an employee to his/her new job. In no event shall the transfer be delayed beyond sixty (60) days without the mutual agreement of Company and the Union.

(f) In the event a new employee is hired or an employee is transferred to a new production job, it is the intention of the company to train the employee on all substantially different work stations the employee would normally be assigned to. Such training will be accomplished within 90 work days unless it is not reasonably practical to do so. In the event training is done on an overtime basis, the parties understand that the training period may need to be extended for a period not to extend beyond 30 additional days in cases where the employee declines the overtime training. Any current employee who is identified as needing additional training as specified above will receive such training within six (6) months after returning to active employment.

Section 6 - Disqualifications

An employee with seniority who bids for or is assigned to a job, may be disqualified when his performance is not reasonable.

A disqualified employee will be referred to the Personnel Department for placement where needed in his department or within the Plant. It is understood that once an employee can maintain a minimum production level based on an average performance of 125% for five (5) consecutive work days, he will not be disqualified unless his production is due to age, health, or other acceptable conditions, and any employee not meeting these requirements may be given discipline.

Section 7 - Health Placement

An employee with seniority who is no longer able to perform his job because of physical disabilities, as certified by the Company physician, will be referred to the Personnel Department for placement on a job for which he meets the qualifications and is physically able to perform, in the following order:

(a) First, he will fill an available vacancy in his department, then within his division, and then elsewhere in the

plant.

(b) If there is no vacancy on a job for which he meets the qualifications, then he will be allowed to bump into the first job for which he meets the qualifications and has the necessary seniority. In such situation, he shall start with the least senior employee in the plant

(c) All moves under this section must be approved by the Personnel Manager and Union President.

(d) Both the Company and Union understand their responsibility under the provisions of the ADA (Americans with Disabilities Act) and agree to jointly administer the above provisions to ensure compliance with the law.

Section 8 - Layoff -- Intent to Return

Twelve (12) or more months after an employee is laid off, the Company shall send a registration form by certified mail to the employee's recorded address. A similar form will be sent by certified mail to such employee's last recorded address no more often than each twelve (12) months thereafter. In order to retain recall rights, the laid off employee is required to complete the form indicating whether or not he wishes to retain his recall rights and must send the form by certified mail to the Company's Human Resources Manager within thirty (30) days from the date the registration form was mailed to him.

Laid off employees that do not return the registration form within the thirty (30) day time limit shall be removed from the recall list and considered as quit.

Laid off employees shall be given a copy of this provision at the time of layoff. It shall be the responsibility of each employee to keep the Company informed of his current address.

Section 9 - Shift Preference

An employee may exercise his shift preference no more often than once every twelve (12) months.

The following union officials shall hold day shift preference for the duration of their term: President, Vice President, Secretary, Treasurer, Grievance Committee members, and the six Division Chairmen.

Section 10 - Leaves of Absence

(a) The Company may grant leaves of absence to employees with seniority without pay and without loss of seniority for personal reasons not inconsistent with other provisions of this Agreement or to attend Union training conferences.

Leaves of absence for personal reasons shall be limited to thirty (30) days and subject to renewal for an additional sixty (60) days in the event of extenuating circumstances.

(b) An employee with seniority who becomes ill or is injured

will be considered on a leave of absence for a period of up to two (2) years, so long as the illness or injury is supported by satisfactory medical evidence. During such two-year period, the employee shall accumulate seniority.

(c) An employee with seniority who receives worker's compensation payments shall accumulate seniority during the period covered by compensation payments. If at the end of such period he is physically unable to return to work on his classification or in another classification to which he might be eligible to transfer, he shall be placed on a leave of absence without pay for an additional period not to exceed three (3) years during which he shall furnish satisfactory medical evidence of continuing disability.

(d) Any employee covered by the provisions of this Agreement may request and will be granted an unpaid leave of absence under the provisions of The Federal Family and Medical Leave Act.

(e) An employee with seniority selected for full-time duty as an officer or representative of the Local or International U.S.W.A. or the AFL-CIO will upon application to the Industrial Relations Department be granted a leave of absence. This leave shall be for a period of such duty or term of office. An employee on such leave shall accumulate seniority during the period of the approved leave of absence. An employee covered by this provision must make application for reinstatement within twenty (20) days after being released from such full-time duty, whereupon he shall be placed on his previous or comparable work consistent with his seniority, provided he is able to do the work. The Company shall have thirty (30) days from the date of such employee's application to return in order to make room for that employee.

(f) An employee returning from a leave of absence shall return to his classification provided his seniority entitled him to do so. If he is returning from sick leave of less than ninety (90) days duration, he shall be returned to his specific assignment within his classification provided that during his absence no reassignments were made which would have removed him from his specific assignment. If assignments were made causing him not to be entitled to his specific assignment, then he shall be assigned to the job and classification he would have been entitled to had he been working at the time the reassignments were made, provided he is able to do the work he is entitled to.

(g) The Union will receive a copy of all personal leaves of absence granted.

ARTICLE XI

General Provisions

Section 1 - Safety and Health

The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment.

Employees shall be required to utilize all protective devices and equipment in the manner prescribed and will cooperate to the best of their ability in the prevention of accidents. Failure of an employee to comply with safety rules may result in disciplinary action.

A Safety Committee shall be appointed consisting of not more than three (3) employees representing the Company and not more than three (3) representing the Union to facilitate the promotion of safe working practices and the elimination of unsanitary or unhealthy conditions within the plant.

The Safety Committee shall meet once each month for the purpose of discussing safety problems, and will tour the plant periodically to verify that adopted safety recommendations are being complied with. Union members of the Safety Committee shall be paid (from agreed upon business hours) their average hourly earnings or day work base rate, whichever is greater.

Data concerning accidents in the plant will be furnished members of the Safety Committee on their request. An employee who is required to sign an accident report will be given a copy of the report. Signing will not be required until the Safety Committee has investigated.

All employees will be provided an annual physical exam for the purpose of health screening.

The International Union's Safety Representative may visit the plant upon request of the local union with the understanding that a minimum of one week advance notice will be provided.

Section 2 - Supervisors Working

Supervisory personnel will not perform work which would ordinarily be done by employees in the Bargaining Unit except for emergency, taking inventory, trouble-shooting, and demonstrating methods of operations.

Section 3 - Bulletin Boards

Union notices shall be posted on a glass enclosed bulletin board furnished by the Company for the Union. Notices shall be restricted to general Union business and administrative matters such as:

1. Notices of the Union's recreational, educational, and social affairs.
2. Notices of Union elections, appointments, and results of Union elections.
3. Notices of Union meetings.

All notices must be mutually approved by the Union President and the Manager of Human Resources prior to posting. No notice will contain political matter or any matter derogatory to the Company, the Union, or any of the employees.

Section 4 - Catch-All

Insofar as the supplying of maintenance tools, uniforms, gloves, and safety equipment, the Company shall continue its current practices.

The Company will also continue its current practice of furnishing certain items of protective clothing such as coveralls, gloves, aprons, boots, coats, etc. All such items of protective clothing, except safety shoes will be furnished at no cost to the employee, the same applying to any safety equipment that the Company requires employees to wear. The method of replacement for such worn out or broken items shall be that the employee must turn in the worn out or broken item before a replacement will be made at no cost.

In the event that the Salem plant is sold, this Agreement shall be binding upon the successor.

Section 5 - Maintenance Department

The Company shall continue its existing system and job structure and provide the Union with a copy of the job description.

Section 6 - Supervisors Returning to the Bargaining Unit

If an employee in a supervisory or other position outside of the Bargaining Unit returns to a job within the Bargaining Unit, he shall be accredited with his total seniority for purpose of pension and vacation only. For purposes of job bids and scheduling of vacations, etc., only the seniority acquired while in Bargaining Unit will apply. It is understood that such employee shall return to the balance pool.

Section 7 - Working Time

All employees will be required to ring "in" and "out" their own time cards at the beginning and end of each shift.

All employees shall remain in their department until the end of their shift.

Section 8 - Reporting Absences

It is the duty of employees who are unable to work at their regularly assigned period to report to the Company as much in advance of the start of the shift as possible but not less than one (1) hour before shift starting time.

Section 9 - Discipline

Disciplinary write-ups, except those recording suspensions or discharges, will be disregarded one year after issuance if the same offense has not been committed during the preceding twelve (12) months. Any disciplinary write-ups, except those recording

suspensions or discharges, will be removed after twenty-four (24) months, if the same offense has not been committed during the preceding twenty-four (24) months. A disciplinary write-up regarding a suspension or discharge will be removed from the employees file after five years provided the employees record does not reflect any other disciplinary action during the five year period. The employee will be given a copy of any disciplinary write-up that is included in his record and will be given the opportunity to acknowledge receipt thereof. The President of the Local Union will also be given a copy of disciplinary write-ups for suspensions or discharges.

If an employee is required to attend a meeting during which a formal disciplinary action will be taken, or a meeting where the reasonable result will be a formal disciplinary action, the employee will be advised of his/her right to have a union representative present during the meeting. This right to representation does not apply to non-disciplinary discussions or matters of a personal nature.

Section 10 - Allowed Time if Earned

Employees are allowed reasonable time to clean up around their machine or work area, sign time cards, etc., after which they may go to the locker room, but not beyond, prior to the shift change signal. This time allowance is five minutes for employees not requiring relief by the incoming shift, and ten minutes where the operator's continuous attention is required. The ten minutes represents a maximum and may be used only if the operator has been relieved by the incoming shift. If an employee working on a continuous operation is not relieved by an employee scheduled to work the following shift, the Company will attempt to secure relief as soon as possible, or at a time mutually satisfactory.

"Continuous attention" as used in this Section shall mean that the operation is continuous or that it so ties in with a continuous operation that a short period of delay will hinder the continuous operation.

It is the mutual desire of the parties to this Agreement to avoid abuses of the provisions of this Section, and in order to encourage respect for the time limitations provided, it is understood that employees who persist in disregarding the time limits above shall be subject to disciplinary action.

When Supervision changes an employee's time card, the employee will be notified of the changes made.

Section 11 - Docking of Pay

If an employee reports to work late or leaves work early, the employee's pay will be docked to the next one-tenth (.1) of an hour from the time the employee arrives or leaves.

paragraph 13 (the Company will not request reduction from the current \$50.00).

b) Interest Arbitration

If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The parties shall, not later than fifteen (15) days after either party invokes arbitration, serve on each other their respective final offer package on the issues identified in paragraph (a) above, and shall, not later than 30 days after either party invokes arbitration, submit their respective final offer package to the Arbitrator with a detailed written statement supporting its position. The Arbitrator shall simultaneously send each parties' final offer and supporting statement to the other party. Each party may file a reply to the other's written statement within twenty (20) days.

The Interest Arbitrator shall be jointly selected by the parties, with preference given to Arbitrators who have experience in the rubber industry and in interest based arbitration. The conduct and scheduling of the hearing and all other procedural issues shall be agreed to by the parties. In the event the parties are unable to reach agreement on such procedural issues, the Arbitrator shall provide reasonable guidelines.

The Interest Arbitrator shall have no authority to add to, subtract from, or modify the final offer packages submitted by the parties. The Interest Arbitrator's decision shall select one or the other of the final offer packages submitted by the parties. The decision shall be in writing, and shall be effective July 23, 2000. The final offer package of either party may include additional wage changes effective subsequent to July 23, 2000.

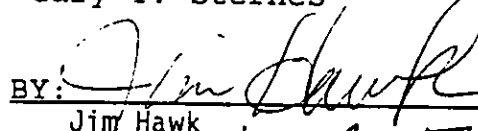
IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have set their hands and seals as of the day and year stated above.

YOKOHAMA TIRE CORPORATION

BY: 
Stephen L. Kessing

BY: 
John D. Holladay

BY: 
Gary T. Sternes

BY: 
Jim Hawk

LOCAL UNION 1023 UNITED STEELWORKERS OF AMERICA


Wayne Burton

BY: Eddie Robtison
Eddie Robtison

BY: Alvin Hodge
Alvin Hodge

BY: Randy Hutchison
Randy Hutchison

BY: Jim Link
Jim Link

BY: Ron Crisco, Jr.
Ron Crisco, Jr.

UNITED STEELWORKERS OF AMERICA

BY: Melvin Watson
Melvin Watson

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives:

YOKOHAMA TIRE CORP.

UNITED STEELWORKERS OF AMERICA
AFL-CIO-CLC

Stephen L. Keung
John Holladay
Ray Harris

George F. Becker, Int'l. President

Leo W. Gerard, Int'l. Secretary-Treasurer

Richard B. Davis, Int'l. V.P. (Administration)

Leon Lynch, Int'l. V.P. (Human Affairs)

David Wilson
David Wilson, Director, District 8

Melvin Watson
Melvin Watson, Staff Representative

ON BEHALF OF USWA LOCAL UNION NO. 1023

Eddie Robinson
C.R. Hutchison
Philip M. [Signature]

Letter #1

MEMORANDUM OF UNDERSTANDING

Division 600

All employees in the Tire Finisher Classification in Division 600 shall be required to rotate on the jobs of TUO, Bar Breaker, Inspector, Trimmer, and Stacker for the purpose of learning the jobs to permit equitable distribution of overtime and to fill vacancies when required.

Inspector, Trimmer, and Stacker will continue rotation within their jobs whenever management deems it expedient to do so.

When the entire classification has been trained to do all the functions within the classification, the most senior people in the classification on the shift will be permitted to choose their work station and expect, under normal operating conditions, to be on the TUO or the Bar Breaker on a daily basis.

When those currently in the classification change, the rotation may again be required to permit training on all functions of the classification.

THE MOHAWK RUBBER COMPANY

BY: S/ Don Hastings

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA
AFL-CIO, CLC

BY: S/ Paul T. Kennedy
BY: S/ Ed Sexton

BY: S/ William M. Smith
BY: S/ Alva C. Lewis

Letter #2

MEMORANDUM OF UNDERSTANDING

This memorandum will confirm our mutual interpretation of Article VII, Section 1, Paragraph (k). In deciding which Production Unit employees are to work on their preference days on overtime, the amount of voluntary overtime worked by the employee will not be considered. Only the hours "scheduled" will be taken into consideration. The "low-hour scheduled" employee or employees will be required to work. If two or more employees have identical scheduled hours, then the least senior will be required to accept the scheduled day. This interpretation will require that all hours will revert to zero throughout the plant effective January 1 of each year.

THE MOHAWK RUBBER COMPANY

BY: S/ J. M. Kitchen
BY: S/ Joe Marshall
BY: S/ Richard A. Switzer
BY: S/ John Holladay

LOCAL UNION 1023 UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA

BY: S/ James Blevins
BY: S/ Robert L. Haley
BY: S/ Gene D. Jenkins
BY: S/ Charles C. Coughlin
BY: S/ Jesse C. Pendleton

Letter #3

AGREEMENT FOR OVERTIME COVERAGE

July 22, 1988

We hereby request that if on our scheduled overtime day we are able to get another employee, of which the Company approves, to cover the overtime, the hours worked will be credited to the employee scheduled by the Company. The employee actually performing the work will receive pay only.

It is understood that if an employee agrees to cover for another employee, Article VII, Section 1, Paragraph (k), of the contract, relating to employees not being required to work in excess of 12 hours in a 24-hour period, will not be applicable.

We recognize our obligation to work overtime in accordance with the first sentence of Article VII, Section 1, Paragraph (k), of the working agreement and agree to fulfill those obligations

in the future.

John D. Holladay
Manager, Industrial Relations

James Blevins
President Local 1023

Letter #4

AGREEMENT

May 9, 1979

When a vacancy occurs on a job classification with more than one work station, the employees in that classification of that shift can request the vacant work station. It will be given to the employee with the most service that makes the request to the Division Manager while the job is posted or within 48 hours after the final bid comes down, if that vacancy is not posted.

The above will be limited to one move on each vacancy, and the Company may refuse any or all moves if it feels it may affect production, quality, or any other employee.

No employee may move more than once every nine months to a different work station.

THE MOHAWK RUBBER COMPANY

BY: S/ Don Hastings

LOCAL 1023

BY: S/ James Blevins

BY: S/ Henry Rice

BY: S/ David Goff

Letter #5

August 16, 1982

Mr. James Blevins
President, U.R.W., Local 1023
1435 Apperson Drive
Salem, Virginia 24153

Dear Mr. Blevins:

During the 1982 Contract Negotiations, the Company agreed that all tool replacements will be made as soon as possible.

A training program will be instituted so that maintenance technicians may acquire necessary skills to keep up with changes in the upgrading of equipment and controls for such.

The Company will furnish production unit employees with a detailed outline of requirements and training (vocational, technical, and academics) for necessary qualifying experience for becoming a maintenance technician under the job posting procedure.

Sincerely,
James M. Kitchin, Corporate Director
Industrial Relations and Personnel

JMK:bl

Letter #6

Mr. James Blevins
President, U.R.W., Local 1023
1435 Apperson Drive
Salem, Virginia 24153

SUBJECT: Advance Notice of Plant Closure

Dear Mr. Blevins:

In the event a full plant closure occurs during the life of this Agreement:

1. The Company and/or Employer will notify the Local and International Union at least six months prior to the cessation of production operations.
2. Following such notification, the Local and International Union will have the right to discuss and explore with the Company and/or Employer any possible means of averting the closure.
3. If attempts to avert the plant closure are not successful, Company and/or Employer and Union Representatives will meet to negotiate the manner in which the closure is carried out.

Sincerely,

James M. Kitchin, Corporate
Director Industrial Relations and
and Personnel

Letter #7

SUBJECT: 1985 Negotiations - Safety and Health Proposals

This will confirm the discussions concerning the above subject and the understanding reached concerning various arrangements the Company is willing to make to further provide for the safety and health of its employees during the hours of their employment.

Article XI, Section 1, of the Agreement would be interpreted to mean that the Company would be obligated to undertake the following activities:

1) The Manager of Safety and Health shall coordinate all programs related to the improvement of safety activities within the plant and shall be responsible, through the Manager of Industrial Relations and the Plant Manager, for the implementation of the provisions of Article XI, Section 1.

2) The Safety Manager shall on a periodic basis, in addition to the scheduled monthly meetings with the Union Safety Committee inform the Committee of steps being taken to implement the various programs including but not limited to those referred to below. Estimated target dates will be set, and from time to time adjusted, to insure a planned and coordinated approach to implementation.

3) The recommendation of the Safety Committee, as developed from the joint monthly meetings and plant inspections, will be given consideration and, where practical, incorporated into the schedule for implementation.

4) At least twice annually, the Safety Committee will, jointly with the Company, analyze reports of plant injuries with regard to frequency and severity. The joint committee will develop and recommend rules and procedures for the prevention of such accidents. It is agreed that all employees will be required to actively support and cooperate in following such rules and procedures.

5) The Company will give priority consideration and arrange for professionally conducted safety, health, and hygiene surveys and support programs in the following areas:

a) Noise control and hearing conservation to include audiometric testing and engineering controls where applicable or practical.

b) Rehabilitation assistance to selected employees who are injured on or off the job in order to insure the soonest possible return to work consistent with good health care practice.

c) Compile an inventory of all chemicals, develop safe handling procedures, and conduct communication and training of affected employees in accordance with applicable regulations specified by law.

d) Conduct job safety analysis to determine the need for corrective action, protective equipment, job placement and safety checks. Emphasis to be given to those operations where the most serious injuries could occur such as Banbury, Mills, Calenders,

Tubers, Cement House, Curing Presses, Barbreakers and Electrical Room.

e) Conduct periodic hygiene surveys with the use of specialized testing equipment which conforms to OSHA equipment standards. The results of these tests will determine the need for corrective action in cases where test data indicate that conditions are not in conformance with applicable OSHA regulations.

f) The Company will continue to explore ways to improve ventilation throughout the plant with immediate attention to Mills, Tubers, and Curing Room.

Letter #8

June 19, 1985

LETTER OF UNDERSTANDING

Quality Control (Plant) and Quality Control (Lab) will be treated as separate classifications for purposes of overtime assignments and scheduling vacations.

Shift preference to and from (Q. C. Plant / Q. C. Lab) will only be permitted when there is a vacancy to be filled.

All other aspects of Quality Control will be handled the same as production.

The removal of Article XII from the current contract does not imply the intent of eliminating the Quality Control classification.

FOR THE UNION:

BY: S/ William Smith
BY: S/ Walter E. Smith
BY: S/ Ronald S. Crisco
BY: S/ Billy Amos
BY: S/ Tom McCulloch
BY: S/ Alva C. Lewis

FOR THE COMPANY:

BY: S/ John Holladay
BY: S/ Richard A. Switzer
BY: S/ Joe D. Marshall
BY: S/ Jim Kitchin

Letter #9

July 12, 1985

Mr. William Smith
President
Local 1023

RE: Pay for Maintenance Technicians

Dear Bill:

During 1985 contract negotiations, we discussed an alleged problem of maintenance technicians being paid accurately for extra time worked (beyond even hour increments).

It was agreed that maintenance employees would be paid for time actually worked provided they have proper authorization from their supervisor.

Sincerely,

John D. Holladay
Manager, Industrial Relations

JDH/se

Letter #10

July 12, 1985

Mr. William Smith
President
Local 1023

RE: Maintenance Tools

Dear Bill:

During 1985 contract negotiations, the Company and Union discussed several options concerning tool replacement for maintenance technicians.

In the final analysis, it was decided that we should leave this matter to be handled as they are now (and have been in the past) with the understanding that tools will be replaced as soon as reasonably possible.

Sincerely,

John D. Holladay
Manager, Industrial Relations

JDH/jw

Letter #11

MEMORANDUM

TO: John Holladay
Manager, Industrial Relations
Mohawk Tire Company

FROM: Bill Smith
President, Local 1023

SUBJ: Contract Changes Concerning Temporary Rates
DATE: July 18, 1985

This will confirm our understanding that new contract language concerning temporary rates will not apply to existing rates until sixty (60) days after the new Agreement.

The Company will have the option of changing (if necessary) any existing temporary rates during the 60-day grace period.

Bill Smith
President
Local 1023

BS/ms

cc: William Hendrix

Letter #12

Mr. Bill Smith
President, Local 1023

RE: Overtime Work Assignments

Dear Bill:

During the 1985 negotiations the Union proposed that overtime assignments be selected by seniority. The Company did not grant this proposal. However, the Company agrees that when making overtime assignments, such assignments will not be made on a partiality basis.

Yours very truly,

MOHAWK TIRE COMPANY

John D. Holladay
Manager, Industrial Relations

JDH/ms

cc: All Division Managers

Letter #13

July 22, 1988

TO: James Blevins

SUBJECT: MAINTENANCE OVERTIME

In order to avoid problems with overtime between groups of Maintenance Technicians, we will start the following procedure:

1. We will publish a weekly list showing the average number of scheduled hours by group and by shift.
2. In the event it becomes necessary to go out of the group to schedule overtime, we will go to the group with the lowest number of scheduled hours to schedule capable technicians.

July 22, 1988

MEMORANDUM OF AGREEMENT

SPECIAL LAYOFF AND RECALL PROCEDURE:

This will confirm the understanding reached between the Company and Local Union 1023 and is to be considered a special agreement to deal with surplus of production employees which is anticipated to last ninety (90) days or less. The Company agrees to the following special procedure in order to provide maximum protection of earnings for active employees and at the same time provide maximum S.U.B. benefits to its employees in job classifications which are affected by the surplus condition. It is also recognized that this procedure will provide for a minimum disruption of the work force, maintaining operating efficiency and thereby maintaining factory bonus benefits at the highest possible level.

The procedure for layoff and recall is as follows:

1) When it becomes necessary to layoff employees, the Company will provide advance notification to the persons affected in accordance with the Collective Bargaining Agreement.

2) The Company will determine by job classification the number of employees who are to be declared surplus.

3) Employees who have seniority and who are in a job classification affected by a cutback will be permitted in the order of their seniority to volunteer for layoff. These employees who choose to accept the volunteer layoff will assume the same status as a laid-off employee and will be eligible for S.U.B. benefits in accordance with the terms of the S.U.B. Plan.

4) If there are insufficient numbers of volunteers for layoff from within an affected classification, the remaining number of surplus employees who are subject to layoff will be referred to the Personnel Department for placement in accordance with the Collective Bargaining Agreement.

5) Those employees who volunteer for layoff and who desire to return to work in a job classification from which they were laid off may, by applying at the Personnel Office in person, have their names placed on the recall list in line with their seniority.

6) Those employees who have volunteered for layoff and who wish to return to work, prior to their original job opening, must accept the first job opening according to their seniority, if qualified. In the event a vacancy in the work force occurs and no employees have applied for recall, the junior employee on volunteer layoff will be recalled.

7) It is understood that employees who have volunteered for layoff will have the first opportunity to fill available openings in a job classification from which they accepted layoff. If no employee in the available job classification has applied for

recall, the junior employee in the available job classification on layoff will be recalled.

8) It is understood that the opportunity for a volunteer layoff shall also apply to Maintenance classifications subject to the provisions of the Collective Bargaining Agreement.

9) It is understood that should an additional layoff occur of the same magnitude as the first layoff, this agreement becomes void at the request of either party.

10) This agreement may be renewed for 90-day periods by mutual agreement.

AGREED FOR THE UNION

BY: S/ JAMES B. BLEVINS
President, Local 1023

AGREED FOR THE COMPANY

BY: S/ JOHN D. HOLLADAY
Manager, Industrial Relations

Letter #15

Mr. Dennis White, President
URW Local 1023

Mr. Dennis White:

This letter will confirm an understanding reached by the parties during 1991 contract negotiations.

The Company agreed that the provisions of Article VII, Section 1 (k) regarding required overtime for production employees are not applicable to work on holidays. This interpretation would not prohibit the Company from soliciting voluntary overtime for work on a holiday or from scheduling employees as part of the start-up or shut-down in accordance with the provisions of Article VII, Section 1 (b) or (c) as these provisions have normally been applied.

The parties also discussed situations in which overtime was worked or offered in increments of less than four hours. The Company indicated that under most circumstances daily overtime assignments were offered and worked in four hour increments, but occasionally production requirements or other circumstances do occur which result in assignments of less than four hours. The Company agreed that in situations where it knows or has good reason to believe the assignment will be less than four hours employees will be informed at the time the hours are offered.

Yours truly,

Steve Kessing
Vice President,
Human Resources

SLK/ab

Letter #16

July 24, 1991

Mr. Dennis White, President
United Rubber, Cork, Linoleum
and Plastic Workers of America
URW-CIO-CLC
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, Va. 24018

Dear Mr. White:

During the 1991 Contract Negotiations the parties discussed at length the effectiveness of the factory bonus program. The Union expressed concern that the bonus levels in 1990 and particularly 1991 were substantially below previous year levels. The Company shares the Union's concern and indicated that they too were concerned about the apparent deterioration of bonus levels for many reasons.

The Company made a commitment in negotiations to work with the Union and employees to try to improve communication and the effectiveness of the factory bonus system. The Union recognized that employee performance is a big ingredient to the success of the factory bonus and agrees to cooperate with the Company in its effort to improve the plant's performance.

As a result of these commitments, the Company agreed that during the term of the 1991-1994 contract if a weekly bonus calculation would result in a payment of less than 15%, a minimum payment of 15% would be made unless the cause of the low payment is the result of a violation of Article III, Section 1.

Yours truly,

Steve Kessing
Vice President, Human Resources

SLK/ab

Letter #17

As a result of the 1991 Contract Negotiations between Mohawk Rubber Company and URW Local 1023 the Company agreed to establish an Employee Savings Plan (401K) to be effective August 1, 1992 in accordance with the following provisions:

1. The Company will design the Plan & Trust Agreement and submit it for qualification to the Internal Revenue Service.
2. The plan must be qualified by the Internal Revenue Service.
3. Employees who have one or more years of service and have attained age 21 may participate and enroll in the plan on the effective date. All other employees may enroll on the next enrollment date following completion of one year of service and/or attainment of age 21.
4. Employee wage deferral contributions may be made in selected dollar amounts not to exceed the annual maximum provided by the Internal Revenue Code.
5. An employee may direct the investment of his/her contribution in at least three investment options as specified by the plan.
6. Employee contributions will immediately be 100% vested.

Letter #18

Memorandum of Understanding

The parties signature to this Agreement recognize that production requirements may be such that the plant may operate on a seven day basis in part or in whole subject to this Agreement and the Collective Bargaining Agreement. Both parties recognize that the need for such seven day schedules is determined by the Company and that they may be implemented or discontinued at any time as determined by the Company. Seven day operations may be implemented in specific job classifications, departments, or divisions of the plant as deemed necessary by the Company.

Since some operations may operate on a five or six-day basis, the understandings contained in this Memorandum of Agreement shall supersede the provisions of the Collective Bargaining Agreement only to the extent that they apply to employees employed as weekend crew employees or to the extent that they would apply to regular employees who have traded shifts with regular or modified weekend employees, or to the extent that the provisions apply to the procedure of offering available overtime.

Due to the desire of the parties to implement a seven day schedule in a manner which provides the least amount of disruption to the current work force, the parties agreed that no employee hired prior to January 1, 1984 shall be assigned to a weekend crew or modified weekend crew opening unless he elects such transfer.

The Company will inform all employees hired after January 1, 1984, that as a condition of employment he/she may be transferred to a modified weekend crew opening in the event such an opening is created by the Company.

For purposes of this Agreement, weekend crew employees are defined as employees whose normal work week consists of one of two shifts of twelve hours on Saturday and twelve hours on Sunday. Modified weekend crew employees are defined as employees whose normal work week consists of one of two shifts of twelve hours on Saturday and twelve hours on Sunday plus two additional eight hour shifts on Monday and Tuesday or Thursday and Friday. Regular weekday crew employees are defined as employees whose work schedule and hours of work are defined in Article VII, Section 1.

Employees hired after January 1, 1984 or voluntarily transferred to modified weekend shifts will normally be required to work two (2) scheduled twelve (12) hour shifts, one on Saturday and one on Sunday. Due to production requirements, it may be necessary to employ either one or two weekend crews in any

job, division or classification. The normal starting times for weekend or modified weekend shifts shall be 12 midnight or 12 noon. In addition to the two weekend shifts, employees hired after January 1, 1984 or voluntarily assigned to the modified weekend shift will normally work two (2) eight hour shifts during the regular work week. The work days would be either Thursday and Friday or Monday and Tuesday.

Any employee hired on or after January 1, 1984 may be assigned as set forth below to the modified weekend work crew in the event a vacancy exists or an opening occurs. Employees hired prior to January 1, 1984 may elect to transfer to a modified weekend opening when a vacancy exists and the job is posted in accordance with the provisions of this Agreement.

When a modified weekend opening occurs in a classification, the least senior regular weekday work crew employee in the classification hired after January 1, 1984 shall be transferred to the weekend unless a more senior regular employee in the classification elects to transfer to the opening. If no employee elects to transfer and no employee in the classification was hired after January 1, 1984, the Company may transfer the least senior regular weekday work crew employee in the plant hired after January 1, 1984 or the job shall be posted for bid in accordance with Article X, Section 5. His or her regular work shift shall be forty (40) hours as stated above. Additional forty (40) hour modified weekend work crew employees may be hired at the Company's discretion to fill available openings. If an opening occurs and there are no employees hired after January 1, 1984 working regular work week jobs, the opening shall be posted (in accordance with Article X Section 5) and awarded to the most senior eligible bidder from the posted classification from the regular weekday crew. In the event no employee in the classification applies (from the weekday crew), the job will be awarded in accordance with Article X, Section 5. In the event an in-classification employee elects to bid, his preference shall be considered one bid in the chain. Modified weekend crew or regular weekend employees may exercise a shift preference to weekday jobs in accordance with Article X, Section 9 with the understanding the transfer may be delayed until the employee they intend to bump is trained and reasonably qualified. Such a bump may not displace an employee to the weekend or modified weekend shift who is not eligible to be displaced to either of those shifts.

In the event that there is no employee hired after January 1, 1984 in a classification when a modified weekend crew job is created in that classification, the least senior regular employee in the classification may be declared surplus to allow for the creation of the modified weekend crew schedule only if there are employees working regular Monday-Friday shifts who were hired after January 1, 1984 in the plant. The surplus employee may not be involuntarily transferred to a modified weekend crew job.

Modified weekend crew employees shall be considered to be regular full-time employees of Yokohama Tire Corporation and their regular work week shall consist of forty (40) hours as stated above. In addition to voluntary overtime, each modified weekend production employee may be required to work up to two (2) four-hour assignments beyond his normal work week on his normal Monday-Tuesday or Thursday-Friday work day or on Wednesday if required to do so by the Company. The two shifts shall be considered preference days and selected in accordance with Article VII, Section 1, paragraph (k). In addition to the above, modified weekend crew employees may be scheduled to work 8 hour shifts on Wednesdays if needed up to a maximum of 24 scheduled shifts per calendar year.

In addition to modified weekend crew jobs, the Company may hire regular weekend crew employees whose work week shall consist of two (2) twelve (12) hour shifts. One shift shall be on Saturday and one shift shall be on Sunday. All weekend crew employees, modified or regular shall be paid straight time pay for work on their regular shift on Saturday or Sunday.

In the event the Company determines that a vacancy exists in a job classification during the regular work week, the vacancy will be posted for bid and awarded in accordance with Article X, Section 5. The second or subsequent opening in the chain may be utilized to convert regular twenty-four (24) hour weekend jobs to modified weekend crew jobs (40 hours) in lieu of transferring employees to the opening. The weekend crew employees in the classification will be offered the opportunity to accept the modified schedule and if no one accepts it, the least senior employee in the classification who is a regular twenty-four hour employee must accept the schedule. If there are no weekend employees in the classification, the job will be posted for bid if it is eligible for posting in accordance with applicable contract provisions.

In the event a vacancy exists which is not subject to posting and the Company intends to fill the vacancy with a new hire the opening will be made available to employees in that classification on Modified Weekend jobs in order of seniority prior to the placement of a new hire in the job. The Company retains the right to delay the shift transfer until the new employee is trained, if necessary to maintain production levels. The delay shall not exceed 45 days from the date the new hire reports to the job.

Wage Payment Issues

Weekend or modified weekend employees shall be compensated under the same wage payment system which applies to other regular full-time employees of Yokohama Tire Corporation except as stated

below.

Weekend or modified weekend employees shall be paid time and one half compensation for work performed under the following conditions:

1. In excess of forty (40) hours in any one work week.
2. In excess of eight (8) hours in any work day Monday through Friday.
3. In excess of twelve (12) hours on Saturday or Sunday.

In determining eligibility for weekly overtime (over 40), hours paid for but not worked shall be considered as hours worked only if they occur during the regular scheduled work day of the employee, and there shall be no pyramiding of overtime.

Weekend or modified weekend employees work week shall begin with the starting time of the employees regular shift on Saturday.

Weekend or modified weekend employees overtime and premium pay shall be paid in accordance with the above provisions and not in accordance with the provision of Article VII (d).

For all hours worked on Saturday and Sunday, weekend crew personnel shall be paid a shift differential of 50¢ in lieu of the shift differential contained in Article VII Section 5.

Holiday Pay

Weekend or modified weekend employees shall be paid double time for all work performed on contractually celebrated holidays in addition to holiday pay in accordance with Article IX, Section 2. If a holiday occurs on a non-scheduled day for weekend crew personnel, the employee shall be compensated eight (8) hours pay for such holiday, but such hours of pay shall not be considered as hours worked in computing weekly overtime. In the event Christmas, Christmas Eve, July 4, New Year's, or New Year's Eve occur on the weekend and are celebrated under the Agreement on a non weekend day, the parties may mutually agree to schedule weekend crew personnel on the weekday holiday to allow employees to observe the actual holiday with their families so long as the cost of the schedule is not increased for the Company.

Payday

Paychecks for weekend or modified weekend personnel will be distributed in accordance with Article VII, Section 7.

Break and Lunch Periods

Break periods on Saturday and Sunday for weekend or modified weekend personnel shall be (2) 10 minutes for each half shift (6 hours). Saturday and Sunday lunch periods shall be 20 consecutive minutes per twelve (12) hour shift. Monday-Friday break periods and lunch periods shall be the same as specified in the Collective Bargaining Agreement.

Weekend Work

Sunday work shall not be voluntary for weekend or modified weekend personnel since it is a regularly scheduled workday.

Reporting Pay

In the event a weekend or modified weekend employee reports for work in accordance with Article VII, Section 2, he will be assigned other work for at least six (6) hours if the shift is his normal Saturday or Sunday shift.

Bereavement Pay

In the event a modified weekend crew employee suffers a death in his family, in accordance with Article IX, Section 3, he shall be compensated 24 straight time hours of pay as a result of the death. He will be excused from work for a period of up to three consecutive work days and hours lost from his regular shift shall be considered as hours worked in computing weekly overtime.

A regular weekend employee (24 hour) shall be paid 12 hours bereavement pay and will be excused from work on the day of the funeral only if the funeral is on his normal workday.

Vacation

Modified weekend employees may schedule their vacation in accordance with the provisions of the contract. If an employee schedules his vacation on a day at a time basis, he may schedule three (3) weekend days and one (1) four hour vacation block per week of day at a time vacation during his normal work week provided the employee secures his/her qualified replacement coverage from his/her classification for the four hour schedule if it is scheduled on Saturday or Sunday, or the employee may elect pay in lieu of the four hour schedule. Regular weekend crew (24 hour) employees will be required to take all vacation pay in lieu of time off except that vacation required to be taken in the event of a vacation shutdown.

Jury Duty

Regular or modified weekend crew employees shall be compensated for time lost from their regular scheduled shifts in accordance with Article IX, Section 5.

Military Encampment Pay

Weekend crew employees shall be ineligible for military encampment pay in accordance with Article IX, Section 4.

Overtime Opportunities

When overtime coverage is needed on the weekend due to the absence of a weekend or modified weekend crew employee, the Company shall offer such available hours to qualified employees in the classification first. The method of offering overtime opportunities shall be mutually agreed upon by the Company and the Union. If no employee in the classification accepts the hours, qualified employees in other classifications may be offered the hours.

In the event the Company schedules regular weekday shift employees for work on Saturday in accordance with applicable contract provisions (Article VII, Section 1(i)) and weekend employees are working on such day, the Company and the Union will agree upon a method of operation which will allow for an equitable distribution of the work scheduled among weekday employees. Both parties recognize that this may provide that an employee may work a different shift on Saturday than he/she has worked in the past. The current method of scheduling shall apply until the parties agree to an alternative method.

In the event overtime hours are available during Monday-Friday and modified weekend employees are working their regular Monday-Friday shift, they shall be solicited or scheduled as if they were a regular Monday-Friday employee. Modified weekend crew employees may be solicited to cover other hours only after the regular overtime procedure has been followed if the work is available on a nonscheduled day for the weekend crew employee.

The parties understand and agree that regular weekend crew employees (24 hour) should have the first opportunity to work available hours Monday-Friday made available as a result of long-term absences (in excess of 7 days). In addition, regular weekend crew employees will have the first opportunity to work 50% of hours made available Monday-Friday as a result of vacation schedules. These hours will be offered first to the most senior employee in the classification on the weekend, and he may accept the hours up to sixteen (16) in eight (8) hour increments. The hours may not be adjacent to his regular weekend work shift. Hours will continue to be offered in seniority order to regular weekend employees in the classification until accepted. If no one accepts the hours, the least senior weekend crew employee in the classification must accept the hours up to a maximum of 16 per employee. No other hours beyond sixteen per employee will be offered to regular weekend crew employees unless they are still available as a result of the overtime procedure specified in Article VII (k).

The intent of this procedure is to allow twenty-four (24) hour weekend employees the opportunity to work a regular forty (40) hour schedule.

Benefits

Since weekend crew employees are regular full-time employees, they shall be eligible for benefits under the provisions of the Pension/Insurance and Supplemental Unemployment Benefit Agreements, but such plans may have a different application due to the 12-hour work schedule or work week schedule. In the event an employee is absent and eligible for Supplemental Unemployment Benefits or Supplemental Workers' Compensation or Sickness and Accident Benefits on a 12-hour work day, his benefit shall be adjusted accordingly.

Regular weekend crew (24 hour) employees shall receive pro-rated benefits (24/40) in the event they qualify for sickness and accident benefits, supplemental workers' compensation and SUB. The benefit level shall be 60%, reflecting the reduced work week and shall be apportioned in accordance with hours paid until the employee is transferred to a regular forty (40) hour job.

Miscellaneous

In the event there is a curtailment of weekend operations, employees declared surplus shall be reassigned in accordance with Article X, Section 4, if they have sufficient seniority or they shall be laid off.

In the event there is a curtailment of weekday operations, employees declared surplus shall be reassigned in accordance with Article X, Section 4 and displace weekday employees first if they have sufficient seniority. If the employee does not have sufficient seniority to displace a regular work week employee, the employee may next elect to displace the least senior modified weekend crew employee if he possesses the required seniority. If the employee does not have sufficient seniority to displace the modified weekend employee, he may displace the least senior weekend crew employee or be laid off. A regular weekday employee may elect layoff in lieu of displacing a modified weekend or regular weekend employee and will be subject to recall to the first available regular weekday opening. The above procedure shall apply to employees hired prior to January 1, 1984. Employees hired after January 1, 1984 shall not have the option of electing layoff in lieu of displacing a less senior employee unless that option is provided under the provisions of the special layoff and recall procedure.

The Company anticipates that weekend crew employees will be assigned to Monday through Friday work shifts for training purposes and may be so assigned for whatever period of time or

whatever shift is deemed necessary by the Company. Weekend crew employees may trade shifts only with the approval of their supervisor and only if the shift trade does not result in any additional cost to the Company.

The parties recognize that a weekend operation will present many training and production problems due to the level of experience of weekend personnel and, therefore, supervisory personnel may assist bargaining unit personnel for training purposes.

The Company anticipates that the weekday shift applicable to modified weekend employees work schedule shall be the 4 p.m. to 12 midnight shift.

Weekend Overtime

The parties agree that overtime opportunities available on the Friday midnight to noon Saturday shift shall be offered first in a four-hour increment to third shift employees. The remaining eight-hour block shall be offered to first or second shift employees.

If hours are available from noon Saturday to midnight Saturday or midnight Saturday to noon Sunday, such hours will be offered in 12-hour increments to the low hour employee on the weekday shift.

Hours available on the noon Sunday to midnight shift shall be offered in an eight-hour increment to second shift or third shift employees. The four-hour increment from 8 p.m. Sunday to midnight will be offered to the first shift.

All hours will be offered first to employees in the classification where the work is available prior to being offered outside the classification to qualified employees. Hours will not normally be offered to any employee unless there is an eight-hour break from his last work period.

The Company will attempt to institute an overtime sign up system to expedite the offering of available hours. The parties may mutually agree to modify or amend the above general principles of offering overtime.

Letter #19

March 17, 1994

AGREEMENT

The Company and Union agree when it becomes necessary to modify or replace any existing machines in the plant, the employees working those machines will be given first preference of remaining at the new or modified machine.

Should the employee elect not to stay with the new or modified machine, then the machine will be offered to the senior employee in the effected classifications and then down the line according to seniority in the effected classifications until someone accepts. If no one accepts, then the least senior employee in the effected classification will be assigned to the new or modified machine.

This Agreement is subject to approval by the Local membership and the International Union.

THE YOKOHAMA TIRE CORPORATION

BY: S/ John D. Holladay

LOCAL 1023

BY: S/ Wayne Friend

BY: S/ Michael W. Shorter

BY: S/ Gene D. Jenkins

BY: S/ Jim Allen

Letter #20

October 5, 1994

Mr. Wayne Friend, President
United Rubber, Cork, Linoleum
and Plastic Workers of America
URW-CIO-CLC
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

RE: Temporary (Summer) Employees

Dear Mr. Friend:

During the course of the 1994 contract negotiations, the parties agreed to the following outline which will summarize changes to take effect for future temporary (summer) employees, who are full time students, beginning with the 1994 contract.

1. The temporary (summer) employment program is intended to provide extra coverage for various types of absences during the peak vacation season between the months of May through September.
2. Temporary employees (summer) will be considered on extended probation for up to, but not to exceed, 120 days.
3. Temporary (summer) employees will be paid a base rate of \$6.50 per hour plus factory bonus or individual incentive earnings. There will be no COLA provisions for summer employees.
4. Temporary (summer) employees will not be afforded any fringe benefits.
5. Temporary (summer) employees will be offered overtime last and scheduled overtime first.
6. It is further agreed that temporary summer employees will sign an agreement of understanding concerning the above temporary employment.
7. The Company will not cover vacant machines on a continuous basis (not to exceed two weeks) with summer employees, however, the parties recognize that summer employees may occasionally cover vacant machines or be used as additional help on vacant jobs when there is no vacation or absentee opening to cover.

Sincerely,

Steve Kessing
Vice President, Human Resources
SLK/ab

Agreed Wayne Friend

Letter #21

October 5, 1994

Mr. Wayne Friend, President
United Rubber, Cork, Linoleum
and Plastic Workers of America
URW-CIO-CLC
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Friend:

The Company will make a Lump Sum payment in the amount of \$500 upon ratification of the Collective Bargaining Agreement to each employee who was on the active payroll July 23, 1994, and who returns to work under the provisions of the new CBA, or who retired during the interim.

In the event an employee is not on the active payroll on the date the payment is made, such payment will be made if the employee returns to work within one year from the date the payment would have been made but for his/her absence.

Sincerely,

Steve Kessing
Vice President, Human Resources

SLK/ab

Agreed _____
Wayne Friend

Letter #22

July 24, 1997

Mr. Ed Robtison
United Steelworkers of America
AFL-CIO/CLC
Rubber Plastics Industry Conf.
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:

RE: Maintenance Training

During the 1997 Contract Negotiation the Company renewed its commitment to continuing to provide appropriate training programs for maintenance technicians to allow the employees to acquire necessary skills to keep up with the changes in the upgrading of equipment and controls.

The Company's Plant Engineer, Maintenance Manager, Training Coordinator and (2) Maintenance employees to be designated by the Union, will continue to serve on a task force whose purpose will be to explore ways that our current Maintenance force can acquire training and upgrading of skills. This will include ways in which current employees can receive in plant training from electronic Technicians as well as factory representatives or other qualified personnel including peer technicians.

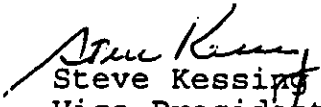
The task force will continue to be responsible for developing and mutually agreeing on a procedure whereby additional Maintenance employees may be certified in Electronics, PLC's, Computerized Controls and AC/DC motors and drives trouble shooting and repairs. Such certification will be accomplished by completion of specific course work and/or other professionally recognized competency testing methods, as was done under the terms of the 1994 Contract. Employees who become certified shall be paid a special premium of 25¢ per hour. No employee may qualify for more than one 25¢ premium even if additional course work is completed.

The Union expressed its support for skill training and agreed to encourage employees to accept training opportunities when offered by the Company.


Additionally, the Company will provide necessary Maintenance tool replacements as soon as possible and will furnish production employees with a detailed outline of requirements and training (vocational, technical, and academics) for necessary qualifying experience for becoming a maintenance technician under the job

posting procedure.

Sincerely,


Steve Kessing
Vice President
Human Resources

SLK:peb

Agreed 
Ed Robtison

Letter #23

July 24, 1997

Mr. Ed Robtison
United Steelworkers of America
AFL-CIO/CLC
Rubber Plastics Industry Conf.
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:

The subject of the Company's use of outside contractors at the Salem plant was discussed at length in 1997 negotiations.

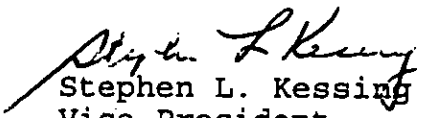
Both the Company and Union agreed that an effective and efficient maintenance organization is critical to the success of the Salem plant. The Company agreed that the use of YTC employees for regular maintenance work was appropriate, but both parties acknowledged that the Company has a standing practice of utilizing outside contractors in situations governed by Article III, Section 1.

The parties agreed that there may be situations and circumstances where utilization of YTC maintenance personnel may be appropriate where contractors have been used in the past. In situations where regular maintenance work will be performed by outside contractors on a non-emergency basis the Company will inform the Union of such contracting decision. The parties have agreed to establish a Joint Skilled Trades Committee of four members - 2 appointed by the union president and 2 appointed by the Company. This committee shall include the maintenance division chairman and the appropriate management counterpart. The committee will

meet quarterly to review outside contract practices in an effort to resolve problems with outside contractors and to discuss situations in which YTC personnel can be utilized in lieu of the utilization of outside contractors. The final decision regarding the use of an outside contractor shall be determined by the Company in accordance with Article III, but can be grieved under the grievance procedure if a dispute arises.

Both parties understand and acknowledge that the Company has significantly increased the size of the maintenance staff and understand that the financial position of the Company is such that the most efficient utilization of maintenance personnel and contractors is critical to the Salem plant success. Both parties further agree that this joint effort to improve maintenance activities and to continue to find ways to train and upgrade the skills of maintenance personnel are an essential part of the plant's future success, therefore, the Joint Skilled Trades Committee should also act in a positive way to improve communication between the Company and Union regarding all maintenance issues.

Yours truly,


Stephen L. Kessing
Vice President
Human Resources

Letter #24

Letter of Understanding

October 5, 1994

Mr. Wayne Friend, President
United Rubber, Cork, Linoleum
and Plastic Workers of America
URW-CIO-CLC
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Re: Full Time Union President

Dear Mr. Friend:

During the 1994 Contract Negotiations the Company agreed to the concept of a full time Union President with the following

understanding.

The president will be a regular full time employee of Yokohama covered under the normal provisions of our benefit programs. The Company will compensate the president fifty two (52) hours per week at the straight time hourly rate of his/her classification. Twenty six (26) of the above fifty two (52) hours will be paid from the allotted company paid grievance hours and the other twenty six (26) hours will be paid by the Company separate from the allotted Company paid grievance hours. The Company will also compensate the president for time lost due to vacation, holidays, and other lost time provisions of the CBA. Wage payments will not be duplicated.

It is understood that while holding the position of president such employee will be considered on leave of absence from his/her regular job and will reserve the right to return to that job upon leaving the position of Union President. When the President's job is posted it will be identified as temporary for the term of his office.

Sincerely,

Stephen L. Kessing
Vice President, Human Resources

SLK/ab

Letter #25

Mr. Wayne Friend, President
United Rubber, Cork, Linoleum
and Plastic Workers of America
URW-CIO-CLC
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Friend:

During the 1994 contract negotiations the parties discussed the substantial backlog of grievances and both parties agreed that improvements need to be made in the grievance resolution procedure.

In an effort to mutually improve the grievance procedure and to reduce the back log of grievances the parties agreed to the following:

1. FMCS would be contacted upon ratification of a new agreement to assist the parties through their grievance mediation process.

2. Both parties agreed that grievances should be settled promptly and as close to the source as possible. In recognition of this commitment both parties agreed that to the greatest extent possible all facts relating to the grievance should be presented at the first step of the grievance procedure. A fact sheet will be developed for usage by each party to assist in this process.

3. Effective upon the ratification of the new agreement the parties agree to strictly enforce the time limits of the grievance procedure unless the time limits are extended by mutual agreement and so noted on the grievance form.

4. The parties will schedule grievance meetings with a set agenda. As far as reasonably possible both parties will agree upon grievances to be discussed at the meeting at least two days before the meeting to ensure that they are prepared to discuss the grievance in dispute.

5. Due to the large backlog of grievances the parties agree to schedule a four hour special meeting twice per month to work exclusively on resolving the backlog of grievance which are over six months old. These twice per month meetings will continue until the backlog of grievances is reduced to less than 50.

Lost time for union representatives shall be paid from negotiated grievance hours. The International Representative and Corporate Vice President, Human Resources may attend these scheduled meetings to assist in the grievance resolution process.

6. The grievance form will be reviewed to properly conform with the contractual grievance procedure.

Sincerely,

Steve Kessing
Vice President, Human Resources

SLK/ab

Agreed _____
Wayne Friend

Letter #26

July 24, 1997

Mr. Ed Robtison
United Steelworkers of America
AFL-CIO/CLC
Rubber Plastics Industry Conf.
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:

SUCCESSORSHIP

The Company agrees that during the term of this collective bargaining agreement it will not sell, convey, assign or otherwise transfer ownership of the plant covered by this agreement in a transaction that closes prior to the plant's having been permanently shut down for at least six (6) months unless the following conditions have been satisfied prior to the closing date of the sale:

1. The Buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining unit; and
2. Either of the following has occurred
 - a) the Buyer shall have entered into an Agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date; or
 - b) the Buyer has offered to agree to the terms of this collective bargaining agreement and the contemporaneously executed benefits agreements effective as of the closing date.

The provision is not intended to apply to any transactions solely between the Company and any of its subsidiaries or affiliates, or its parent company and any of its subsidiaries or affiliates, nor is it intended to apply to transactions involving the sale of stock.


A permanent shutdown for six (6) months shall mean that any notice required under the collective bargaining agreement has been given and that for six (6) months following the final closure date: (1) bargaining unit work has been discontinued other than tasks

associated with the shutdown of operations including, but not limited to, maintenance of the facility and property, and disposition of equipment, inventory, or work in progress; and (2) the Company is processing and/or paying any applicable shutdown benefits under the collective bargaining and benefits agreements.

RIGHT TO BID

1. If during the term of this collective bargaining agreement the Company decides to sell or is presented with an offer to purchase its plant covered by this agreement ("the Assets"), it will so notify the Union in writing and grant to the Union the right as provided herein to organize a transaction to purchase the Assets (a "Transaction").
2. The Company will provide the Union with any information in the Company's possession reasonably needed to determine whether it wishes to pursue a Transaction.
3. If the Union determines that it wishes to pursue a Transaction, it shall deliver its written notification to the Company of its intention to do so within thirty (30) days from the date of the Company's notice to it pursuant to paragraph 1 above.
4. In the event the USWA indicates its desire to pursue a Transaction within such thirty (30) day period, it shall be granted an additional (30) days (making a total period of sixty (60) days) to make a formal offer ("a Union Offer") for the Assets.
5. During the above described sixty (60) day period (thirty (30) day period in the event the Union does not send a written notification in accordance with paragraph 3 above that it wishes to pursue a Transaction) the Company will not enter into any contract regarding the Assets with another party that is not subject to the Union's rights under this Right to Bid.
6. If the Union submits an offer pursuant to the above, the Company shall not be under any obligation to accept such offer.
7. If the thirty (30) or sixty (60) day period referred to in paragraphs 3, 4 and 5 has lapsed without the Union's submitting an offer pursuant to the above, the Company will provide the USWA with information concerning the status of any negotiations to sell the Assets.
8. This agreement shall not be deemed to cover any public offering of equity.
9. The rights granted to the Union herein are in addition to the parties' agreement regarding Successorship.

Yours truly,


Stephen L. Kessing
Vice President
Human Resources

Letter #27

July 24, 1997

Mr. Ed Robtison
United Steelworkers of America
AFL-CIO/CLC
Rubber Plastics Industry Conf.
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:

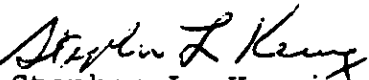
During 1997 Contract Negotiations the parties discussed a number of issues regarding ways to build a stronger and more constructive relationship between YTC and members of the United Steelworkers Union.

The Company agreed that when new bargaining unit employees join the Company that it is important for them to receive a positive introduction to Union officials, and therefore, the Company has agreed to work with the Local Union leadership so that new employees are introduced to the Union as employees are oriented to the Company. Since YTC normally does not conduct large classroom orientations, the logistics of this process will be worked out by the Human Resource Manager and the Local Union President.

The parties also discussed the Union's request that bargaining unit employees be informed that a wage or benefit payment has been made as a result of negotiation between the Company and the Union. The parties agreed in principle that such a message could be provided in some situations and the Company specifically agreed that the first S&A check as well as the first Pension Payment would include a notation to that effect. In other situations where it is practical to do so, the Company agreed to make a good faith effort to include a notation that the benefit is provided "pursuant to an Agreement negotiated on your behalf

by your Union - The United Steelworkers of America, AFL-CIO/CLC
and the Yokohama Tire Corporation."

Yours truly,


Stephen L. Kessing
Vice President
Human Resources

SK:peb

July 23, 1997

MEMORANDUM OF UNDERSTANDING
EMPLOYMENT SECURITY

During the course of the 1997 negotiations, the subject of employment security was discussed at length. As part of these discussions, the parties acknowledged that the interests of employees and the Company are best served if layoffs are avoided.

However, it is recognized that under certain situations or conditions, long term layoffs cannot be avoided and will occur. Despite this recognition, the parties committed to minimizing the impact of layoffs as provided herein particularly with regard to the avoidance of short term layoffs of less than four (4) weeks.

It was agreed that plant management and the union may develop plans to create practical alternatives to such short term layoffs.

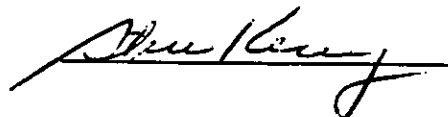
The parties agreed that employees will be entitled to utilize existing optional layoff provisions for layoff situations specified in the "Special layoff and recall procedure," and the Company can utilize flexible scheduling provisions as it has in the past. The need for the Company to reduce schedules for inventory adjustment purposes was recognized and is not affected by this memorandum. Emergency situations caused by unplanned or unexpected events are exceptions to the obligation of the parties to try to avoid short term layoffs.

Union committee members may learn of plans for short term reductions as manufacturing business plans are reviewed. The success or failure for avoiding short term layoffs rests with the Company and Union negotiating committee and with its ability to agree to creative and innovative approaches to alternatives. The committee may agree to such things as labor pools, special training or education sessions, inordinate temporary transfers, the performance of meaningful normally unassigned work, adjusting vacation schedules when feasible, shared jobs, etc. These listed examples in no way are intended to restrict the suggestions or ideas of the Company and Union negotiating committee.

Eddie Robtison
President
Local 1023

Steve Kessing
Vice President
Human Resources





July 23, 1997

SUPPLEMENTAL AGREEMENT
GOVERNING CONVERSION FROM OLD INCENTIVE PLAN
TO THE NEW YOKOHAMA STANDARD HOUR PLAN (SHP)

WHEREAS, the parties recognize that it is important for the Company to maintain a competitive, fair and equitable wage structure and incentive system; and

WHEREAS, the parties have agreed to replace the present incentive system with new incentive and measured daywork standards developed under the new SHP.

It is hereby agreed as follows:

1. (a) The Company and the Union have agreed upon new incentive base rates to be effective upon conversion to the new Yokohama Standard Hour Plan as follows:

<u>Job Classification</u>	<u>New SHP Incentive Base Rate</u> ^{1/}
Y-1 tire builder-----	\$16.65
Y-2 tire builder -----	\$16.65
PR702 -----	\$16.65
Radial (1st Stage) -----	\$16.50
Radial (2nd Stage)-----	\$16.50

-
- (b) The incentive base rate for any other job classification for which incentive standards are developed under the new SHP shall be set at a level that establishes a fair and reasonable relationship between the base rate for such classification and the

^{1/} Incentive base rates include all current COLA (\$10.563).

base rates established for the classifications listed in paragraph 1.(a) above.

- 2.a) Following the ratification of this Agreement, The Company will commence a study of all tire building operations for the purpose of converting them to new incentive standards under the new Standard Hour Plan attached hereto as Appendix A ("SHP"). Such study, and the replacement of standards pursuant thereto, shall be made in accordance with the SHP. When incentive standards are established on new or existing operations, such incentive standards shall be established in accordance with the SHP. The Company also may establish measured day work standards under the new SHP for non-incentive operations.
- b) The Company intends to use Maynard MOST as the core of the new standards system and will use only MOST or comparable systems or procedures that are accepted industrial engineering techniques to establish times for the manual portions of a job. Times for machine or process cycles and other conditions may be established by stopwatch time study, real time video recorder or any accepted industrial engineering technique.
- c) In connection with the conversion and subsequent administration of the new SHP the Company will recognize one (1) Union Standards Representative (the USR). The USR will be an hourly employee selected by the Union,

with the Company arranging for testing of potential candidates as reasonably requested by the Union. The Company will provide training in the MOST system for the USR and two alternative USRs. This training will be provided all three potential USRs at the same time, will be a two (2) week program and will be the same program given the Company's Industrial Engineers. The Company will pay for time lost from the three USRs regular work for such training up to forty (40) hours per week for each of the two (2) weeks of training. After such training, the Company will pay for time lost by the USR in handling meetings and grievances under the SHP for a total of up to 16 straight time hours each week during the term of the collective bargaining agreement. Time spent by the USR in handling meetings and grievances under the SHP in excess of the hours available under the previous sentence shall be charged against the grievance hours available under Article V, Section 5 of the collective bargaining agreement. The Company shall provide the Union with the use of a personal computer, in a space made available to the Union in the Company's plant, and necessary software to use in its administration of the SHP.

3. Until new SHP standards are installed for job classification, a job classification within a

department (or a group of jobs within a job classification and department), incentive employees shall continue to be paid on the basis of the wage rates and incentive provisions provided by the Agreement dated July 24, 1994.

4. When the new SHP incentive standards are installed for a job classification, a job classification within a department (or a group of jobs within a job classification and department), the new SHP incentive base rates set forth in Section 1 above for each affected job classification shall thereafter become the base rate for computing incentive earnings for employees in such job classifications. This rate shall also become the incentive employee's dayrate at the time of such conversion and the rate schedules of the old plan no longer will be applicable.
5. The various contractual provisions which relate to the prior incentive system or earnings calculations or payments under the prior system contained in the Agreement shall continue to apply to employees until the time of conversion. When the new SHP incentive standards are installed, the prior wage incentive system, including: (a) the following provisions of the collective bargaining agreement: Article VIII, Section 1(b), Section 2 (except the definition of "Average Hourly Earnings" in Section 2(e)(6), which will

continue to be used for purposes of Article IX,
Sections 2(e), 3, 4, 5 and 6 and Article X, Section 4)
and Section 4 (c) and 4 (e); (b) memoranda or letters
of understanding, minutes and past practices relating
to the establishment of standards or the payment of
employees under the prior incentive system; and (c) any
and all matters related to the provisions of the
collective bargaining agreement previously noted in
this sentence, whether written or oral; will become
null and void. Any new agreements on such matters must
be in writing and signed by both parties.

USWA and Its Local
Union No. 1023

Eddie Robinson
Alvin R. Lee
Randy [unclear]
[Signature]
[Signature]

Yokohama Tire Corporation
Salem, Virginia Plant

Stephen L. Klemm
John D. [unclear]
[Signature]
John Holladay
Wayne Burton

YOKOHAMA
STANDARD HOUR PLAN (SHP)
SALEM, VIRGINIA PLANT

1. Principles

The Union, the Company and the employees recognize and agree that in order to provide opportunities for continuing employment, good working conditions, and fair and equitable wages, the Company must improve its competitive position through optimum productivity and minimum costs; and further agree that the Company will be supported in its efforts to improve productivity, eliminate waste, conserve materials and supplies, and improve quality of workmanship, and that employees will provide a good incentive effort toward work covered by incentive standards.

2. Basic Plan

The basic plan shall be a standard hour plan (SHP) in which both measured daywork and incentive standards will be expressed in terms of standard hours for a specified quantity of quality production. However other suitable time standards may be used in those situations where the parties agree that the standard hour plan is inappropriate. All measured daywork and incentive standards shall be based on the concept that 100% (e.g. walking at 3MPH) equals a normal day work pace.

3. Installation

When jobs in a classification or department are placed on the new SHP standards, all former standards will become void. The correctness of new SHP standards shall not be judged in any way by comparison to former incentive or other standards or performance but, rather by the provisions of this SHP.

4. Establishment of Standards

(a) SHP standards established after the effective date of this Agreement may be established by any accepted industrial engineering technique such as time study, standard data, predetermined time systems, or a combination of these. Reasonable allowances for personal, rest and unavoidable delay will be applied to each standard. A minimum allowance of fourteen percent (14%) for personal, rest and delay will be applied to each standard. This allowance includes all lunch and break time. If outside relief is provided for

break and lunch periods the allowance will be reduced to reflect such relief.

(b) SHP incentive standards when set as defined in (a) above will be established to provide an earnings opportunity of approximately twenty-five (25%) above the incentive base rate on the manual portion of a job for a normal qualified operator working at a normal incentive pace. An incentive opportunity allowance of twenty-five (25%) shall be added to all enforced idleness within the machine or process cycle. This allowance will be added even though there exists manual elements, required by the established method, which are wholly internal to the enforced cycle time: it being understood that manual elements may be added to more efficiently utilize such enforced cycle time without affecting the standard. The objective in establishing new and revised incentive standards under this SHP shall be to provide an opportunity for a normal qualified operator working at a normal incentive pace to earn approximately twenty-five percent (25%) above the incentive base rate. It is recognized that individual SHP standards may provide somewhat more or less than the twenty-five percent (25%) earnings opportunity even though they are set as accurately as engineering techniques permit and the fact that employees do not achieve such performance and earnings is not in itself grounds that the standard is not correct. In no case is the approximately twenty-five percent (25%) to be construed as a minimum guarantee. However, an individual incentive standard which does not provide incentive opportunity of at least twenty percent (20%) shall be considered unsatisfactory and subject to revision under subsection (c) below.

(c) After a new or revised SHP standard is installed on a job, any complaints and grievances regarding such standard(s) shall be handled in accordance with the Incentive Standards Complaint and Grievance Procedure set forth in Section 5 below.

5. Incentive Standards Complaint and Grievance Procedure

(a) Trial Period and Complaint Procedure

Upon the implementation of a new SHP standard, employees shall be expected to make a reasonable effort to develop incentive earnings on the new SHP standard for a trial period of twenty (20) working days. The following complaint procedure shall be available to employees during the trial period:

- (1) The employee may request through his supervisor that the Industrial Engineering Department recheck and review the new SHP incentive standard(s) involved, and the Industrial Engineering Department will then make such review and make any necessary corrections to the new SHP standard(s).
- (2) If the complaint has not been satisfactorily resolved under (1) within three (3) working days, the employee may file a written complaint (on established forms), signed by the employee, specifying operation number, description and standard in dispute. The Union Standards Representative and the Industrial Engineering Department jointly shall review the standard(s) in question. This joint review procedure shall be a fact-finding function which may involve joint review of the data and/or joint observations and analyses of the operation.

If the complaint has not been resolved during the above Complaint Procedure and the trial period has been completed, the matter may then be grieved on appropriate grievance forms (signed by the employee and the Union Standards Representative). No grievance concerning an SHP incentive standard shall be processed or recognized if filed more than five (5) working days following the completion of the trial and complaint period.

(b) Grievance Procedure.

A grievance filed under (a) above shall be first considered in Step 3 of the contractual grievance procedure set forth in Article V of the Agreement.

The Union Standards Representative and a representative of the Industrial Engineering Department shall participate in the third step meeting and present the findings of the joint fact-finding consideration.

If the matter is not resolved in the contractual grievance procedure, it may be advanced to arbitration as provided for in Article VI.

If an SHP grievance is advanced to arbitration the parties will select an arbitrator to hear the dispute from a panel of three (3) arbitrators mutually agreed to between the Company and Union. Arbitrators on this panel shall be individuals qualified by training and experience as experts in the field of Industrial Engineering. The grievance will be heard by one of the arbitrators

selected in alphabetical order at the earliest date agreeable to the Company and the Union. SHP grievances will be processed and heard in arbitration in the order in which they are appealed to arbitration and will not be required to await the arbitration of non-SHP grievances.

Only one grievance will be presented to an arbitrator at one time unless the parties agree otherwise.

If the grievance is submitted to the arbitration procedure, the arbitrator shall decide whether the new or changed standard complies with the SHP and Supplemental Agreement Governing Conversion From Old Incentive Plan To the New Yokohama Standard Hour Plan (hereinafter referred to as the "Conversion Agreement"). The arbitrator shall have no authority to add to, subtract from or change the SHP or the Conversion Agreement.

An international Union time study engineer may be used any time by the Local for the purpose of assisting the Union Standards Representative in reviewing an SHP grievance prior to arbitration.

Upon proper notice such International Union representative shall be provided access to the plant and the information concerning the standard(s) in dispute.

- (c) Language interpretation issues arising under the SHP and Conversion Agreement may be grieved under the regular contractual grievance procedure contained in Article V of the Collective Bargaining Agreement, but if advanced to arbitration will be heard in accord with the provisions of this Incentive Standards Complaint and Grievance Procedure.

6. Changes in Work Standards

After installation, all SHP standards will be subject to replacement or revision resulting from changes of methods or procedures including, but not limited to, feeds, engineering or specification changes, speeds, tooling, material, workplace layout, quality level, or an accumulation of any such changes which affect the time standard. Clerical or arithmetic errors will be corrected when found. No retroactive action shall take place as a result of the error.

When changes in established incentive standards are to be made, the Company will make necessary studies of the factors which determine what changes should be made. When the necessary studies have been completed, the Union will be advised as to what the change will be as far in advance as possible, and upon the request of the Union, the Company will make available to the Union for inspection the complete data showing the basis on which the standard was determined.

When a standard is revised under this Section, the extent of the change in the standard will be limited to those portions of the job which have been recognizably altered or the elements which have been changed or affected by the change or accumulated changes.

7. Calculation Period/Calculation of Incentive Earnings

Production will be calculated for each employee or group for the total hours worked on standard during each workday. Incentive earnings will be calculated for each employee for the total hours worked on incentive during each workday.

8. Temporary Standards

When not practical to set a permanent SHP production standard, a temporary standard may be established until a permanent standard can be established. If such a temporary standard continues to be applied for 60 working days, the Union Standards Representative and a representative of the Industrial Engineering Department shall meet to review the situation. After such meeting the Company shall issue a memorandum either canceling the temporary standard or establishing a permanent standard. Alternatively, the Company and the Union Standards Representative may agree to continue the temporary standard for an additional 60 working day period, at the end of which the above procedure shall be repeated.

9. Payment for Loss of Time/SHP Incentive Standards

Delays may occur which are beyond the control of the operator because of equipment failure, power failure, lack of material or other causes. Delays of six (6) minutes or less are compensated for by appropriate allowances in the standard. When the employee reports such delays to his supervisor and is not then transferred or reassigned to other work, he will receive payment at of the incentive base rate for the time so lost if the delay exceeds six (6) minutes.

10. Crew Standards

Standards under the SHP may be based upon crew performance when a producing unit is operated by a crew of employees, e.g. tuber or calender crew. For operations where the Company decides that crew standards are preferable, the total performance hours achieved by the employees comprising the crew shall be divided among the participating members of the crew in proportion to the hours spent in the crew by each. The Company will not establish a crew or group standard for Utility Workers in Division 400 without the Union's agreement.

11. One for One Payment System

SHP standards shall be based upon the principle that an incentive employee will earn an additional one percent (1%) of the incentive base rate for each one percent (1%) of additional performance above the standard.

12. Payment for Work Not Incentive Rated

Employees working in an incentive classification will be paid their applicable incentive base rate as an hourly rate for all time they are assigned unrated work within the incentive classification provided, however, that assignments to the following activities will be paid at 115% of the incentive base rate:

- 1) assignments to experimental/prototype work;
- 2) participation in Company-called meetings;
- 3) assignments to train employees; and
- 4) time paid for union business as well as time paid for plant safety committee activities in accordance with the Collective Bargaining Agreement

13. Temporary Transfers

When the Company assigns an incentive employee from his normal incentive job, depriving him of incentive opportunity, and temporarily assigns him to a non incentive job classification, the employee will be paid 115% of his incentive base rate or the rate of the non incentive job classification to which he is assigned, whichever is higher, for the period of the temporary assignment.

This level of payment will only be made if the employee is "deprived of incentive earnings opportunity" on his normally assigned job.

14. Supplemental Standards

When an employee working on a new SHP Standard encounters continuing off-standard conditions of a temporary nature which are significantly affecting his performance, e.g., equipment malfunctions, etc., Industrial Engineering may establish a supplemental standard or temporary allowance to compensate for the off-standard condition for the duration of such condition.

Any supplemental standard or temporary allowance under this

Section shall be applicable only so long as the unusual conditions, for which they were established, continue to exist. Where a supplemental standard or temporary allowance is not applied (e.g., duration of conditions insufficient to establish supplemental standards), the duration of the recognized condition will be compensated at the applicable incentive base rate.

15. Minimum Expectancy

Employees who are not "qualified" must become qualified within a reasonable period of time. An employee becomes "qualified" when he performs for five (5) consecutive workdays at or above 125% for time working against SHP incentive standards. Employees who transfer into SHP incentive jobs (voluntarily or involuntarily), who are unable to qualify, will be disqualified and may exercise their right from the balance pool.

The minimum expectancy for qualified incentive employees when working against SHP incentive standards will be 120%. It is understood that an incentive employee on overtime will be required to run 120%.

If an employee who had qualified as an incentive Tire Builder under the incentive system provided by the July 24, 1994 collective bargaining agreement is unable to achieve the 120 percent minimum expectancy under the SHP during the first eight (8) weeks of the Tire Builder's working under the SHP, the Company and the Union will address the employee's situation as follows:

- i. The Company will provide the employee with special training by one of the Company's IEs or supervisors to assist the employee in following the prescribed work method.
- ii. If despite such training the employee does not achieve 120 percent performance, the employee will be disqualified as provided for in Article X, Section 6 of the Collective Bargaining Agreement.

Letter #31

July 24, 1997

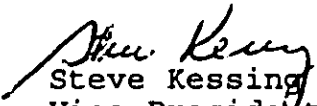
Mr. Eddie Robtison
United Steelworkers of America
AFL-CIO/CLC
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:

This letter is to confirm the statement made by the Company during the 1997 contract negotiations. It is the intention of the Company to commence the recall of approximately 25 percent of the laid off employees upon ratification of the new Collective Bargaining Agreement.

The Company's business plan also would indicate that additional personnel may be recalled later in the year.

Yours truly,


Steve Kessing
Vice President
Human Resources

SLK:peb

Agreed


Eddie Robtison

Letter #32

July 24, 1997

Mr. Eddie Robtison
United Steelworkers of America
AFL-CIO/CLC
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

Dear Mr. Robtison:


During the course of 1997 negotiations, the parties discussed and agreed to the following understanding regarding the observation of Good Friday and the Floating holidays. This understanding will continue in effect for the duration of this Agreement.

The floating holiday will be observed on Easter Sunday.

Weekday employees who qualify for the Easter holiday payment will receive eight (8) hours of pay and such pay will not be considered as hours worked for the purpose of computing weekly overtime. Weekend employees who qualify will receive eight (8) hours pay for the Easter holiday, but the payment will be considered as twelve (12) hours for the purpose of determining eligibility for weekly overtime. The weekend employee shall also consider the twelve (12) hour schedule as available hours for SUB purposes even though the holiday payment for the day is eight (8) hours.

C & D shift employees will be allowed to work on Good Friday and be off work the following Saturday in exchange for the Good Friday holiday with the understanding that doing so will result in no additional cost to the Company.

Yours truly,


Steve Kessing
Vice President
Human Resources

SLK:peb

Agreed


Eddie Robtison

Letter #33

July 24, 1997

Letter of Understanding

**RE: Recall
from layoff**

The parties agreed to the following procedure that will continue in effect, for eighteen (18) months or until all employees currently on layoff are recalled, whichever is the shorter period.

When the Company plans to recall employees from layoff, posted vacancies will be filled by eligible qualified bidders, or employees recalled from layoff, in the following order:

1. The senior employee in the plant who has been removed from the job previously because of being surplusd from his classification within the previous twelve (12) months. Such employee must have been permanently assigned to the job for a minimum of six (6) consecutive months.
2. If there are no bidders that have been displaced from the open job within the last twelve (12) months, then the Company shall determine how many employees will be recalled from layoff. If any employee scheduled to be recalled from layoff has held the posted job for a minimum of six (6) consecutive months prior to layoff, then such employee will be recalled directly to the vacant job they held prior to layoff.
3. The senior eligible employee in the plant who meets the qualifications of the job.
4. The senior employee in the balance pool, including recalled employees, who meets the qualifications of the job.

During the application of the above procedure, postings will be limited to two in the posting chain.


Steve Kessing

Letter #34

July 24, 1997

Mr. Ed Robtison
United Steelworkers of America
AFL-CIO/CLC
Rubber Plastics Industry Conf.
Local Union #1023
3807 Brandon Avenue, S.W.
Suite 128
Roanoke, VA 24018

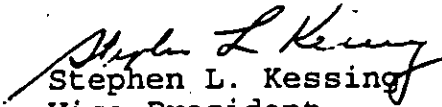
Dear Mr. Robtison:

During 1997 negotiations, the Company and Union discussed the Company's administration of the Family and Medical Leave Act of 1993 ("FMLA Act"). The parties confirmed that the following practices will continue as part of the Company's FMLA administration:

1. Employees seeking FMLA leave are entitled to schedule vacation time as part of the approved leave. The Company may request an Employee seeking leave to utilize unused vacation but may not require an Employee to do so. Except for the substitution of vacation, all leave provided shall be unpaid.
2. FMLA leaves shall not constitute a break in the Employee's length of continuous service and the period of such leave shall be included in his length of continuous service under the Collective Bargaining Agreement and Pension, Insurance and Supplemental Unemployment Benefits Agreement.
3. All benefit coverage shall continue during the period of FMLA leave. In the event an employee fails to return to work or quits after the employee's FMLA leave period has been concluded, the Company will waive its right to seek to recover premiums for health insurance coverage provided by the Company during such leave notwithstanding the provision of the FMLA which permits recovery of health insurance premiums under specified circumstances.
4. Upon termination of FMLA leave, the employee shall be reinstated to the same or an equivalent position as that held at the time the leave commenced, consistent with the seniority provisions of the Collective Bargaining Agreement, unless there was an intervening event (such as a force reduction). In the case of a force reduction, the employee shall be reinstated to the same or an equivalent position or status which he would have held after the intervening event if the leave had not been taken.

5. Where leave is requested in other than continuous weeks and where Management considers it desirable to do so in order to avoid disruption to the operation, absent mutual agreement between the parties, the employee may be assigned to an equivalent position, without regard to seniority, for the period of time during which intermittent leave may be required. The employee shall be paid in accordance with the provisions of the CBA.
6. Where leave is sought other than in full day increments and required by FMLA, the Employee may be assigned by the Company to any available position consistent with the Collective Bargaining Agreement and paid in accordance with the provisions of the CBA, for the portion of the shift actually worked. The Employee may not displace anyone who was assigned to the Employee's normal position for the period of absence except at Management's discretion.
7. Time off due to sickness and accident or workers' compensation will not count toward the twelve weeks of FMLA leave.

Yours truly,


Stephen L. Kessing
Vice President
Human Resources